

Greater Albuquerque Association of REALTORS®

# Policy Statements

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# Table of Contents

## **Chapter 1: General Policies**

**page 1**

Section 1.1: Antitrust Policy	1
Section 1.2: Whistleblower Policy	2
Section 1.3: Conflict of Interest	3
Section 1.4: Records Retention Policy	6
Section 1.5: Investment Policy	11

## **Chapter 2: Governance**

**page 22**

Section 2.1: Duties of the President of the Greater Albuquerque Association of REALTORS®	22
Section 2.2: Spokesperson for the Greater Albuquerque Association of REALTORS®	23
Section 2.3: Delegate to the National Association of REALTORS®	23
Section 2.4: Duties of the President Elect for the Greater Albuquerque Association of REALTORS®	23
Section 2.5: Duties of the Vice President for the Greater Albuquerque Association of REALTORS®	23
Section 2.6: Duties of the Immediate Past President for the Greater Albuquerque Association of REALTORS®	24
Section 2.7: Duties of the Treasurer for the Greater Albuquerque Association of REALTORS®	24
Section 2.8: Duties of the Ex-Officio Secretary of the Greater Albuquerque Association of REALTORS®	24
Section 2.9: Duties of the Executive Vice President of the Greater Albuquerque Association of REALTORS®	25
Section 2.10: Addressing the Greater Albuquerque Association of REALTORS® Executive Committee or Board of Directors	25
Section 2.11: Duties of the Directors on the Greater Albuquerque Association of REALTORS® Board of Directors	25
Section 2.12: Directors to the REALTORS® Association of New Mexico's Board of Directors	26
Section 2.13: Duties of a Committee Chairperson	27
Section 2.14: Duties of a Committee Member	27
Section 2.15: Duties of a Staff Liaison	27
Section 2.16: Guiding Principles	28
Section 2.17: REALTOR® Fund: Then, Now & Forever Committee	29

## **Chapter 3: Travel**

**page 31**

Section 3.1: Travel Policy for Members	31
Section 3.2: Travel Policy for NAR Directors	35
Section 3.3: Travel Policy for RANM Directors	35

## **Chapter 4: Financial**

**page 36**

Section 4.1: Contracts	36
Section 4.2: Professional Services for Legal and Audit	36
Section 4.3: Banking	36
Section 4.4: Financial Statement Preparation	36
Section 4.5: Dues and Fees	37
Section 4.6: Billing and Collection Policy	37
Section 4.7: Refunds	39
Section 4.8: Usage of Credits Cards	39
Section 4.9: Capital Purchases	39
Section 4.10: Contributions	39

<b>Chapter 5: Membership</b>	<b>page 40</b>
Section 5.1: Categories, Qualifications, Responsibilities	40
Section 5.2: Application Process	40
Section 5.3: Service Access for REALTOR® Members	40
Section 5.4: Service Access for New REALTOR® Officers	40
Section 5.5: Voluntary PAC Contribution	41
Section 5.6: Charge Policy	41
Section 5.7: Changes to Member Records	41
Section 5.8: Orientation Requirement	41
Section 5.9: Orientation Cancellation and Reschedule Policy	42
<b>Chapter 6: Lock Boxes</b>	<b>page 43</b>
Section 6.1: Authority to Contract for Lock Box Services	43
Section 6.2: Lock Box Authorized Users	43
Section 6.3: Lock Box Operations Rules	44
<b>Chapter 7: Education</b>	<b>page 47</b>
Section 7.1: Program Guidelines	47
Section 7.2: Registration, Cancellation, and Refunds	47
Section 7.3: Audience and Fees	48
Section 7.4: Professional Development Advisory Group	49
Section 7.5: Program Selection	49
<b>Chapter 8: Government Affairs</b>	<b>page 50</b>
Section 8.1: Government Affairs	50
Section 8.2: GAAR Quality of Life Statement – A Framework for Action	50
<b>Chapter 9: Retail Function</b>	<b>Page 53</b>
Section 9.1: Retail Products & Customers	53
Section 9.2: Return Policy	53
<b>Chapter 10: Facility Use &amp; Rental</b>	<b>page 54</b>
Section 10.1: Guidelines for Use of GAAR & Surrounding Property	54
Section 10.2: Guidelines for Determining Rental Fees	55
Section 10.3: Facility Oversight	55
<b>Chapter 11: Member Benefits.</b>	<b>page 56</b>
Section 11.1: Selection of Benefits	56
Section 11.2: Review and Approval	56
<b>Chapter 12: Member Recognition Awards</b>	<b>page 57</b>
Section 12.1: Annual Standing Awards	57
Section 12.2: Nominating Candidates for Standing Awards	57
Section 12.3: Selecting Recipients for Standing Awards	57
Section 12.4: Additional Ad Hoc Recognition Awards	58
Section 12.5: Annual Real Estate Pre-license Scholarship	58
<b>Chapter 13: Professional Standards</b>	<b>page 59</b>
Section 13.1: Code of Ethics Enforcement & Dispute Resolution System	59
Section 13.2: Cooperative Enforcement Agreement	59
Section 13.3: Role of Board of Directors in Professional Standards	60
Section 13.4: Committee Membership	60
Section 13.5: Grievance Committee	62
Section 13.6: Hearings	62
Section 13.7: Ethics Complaints	64
Section 13.8: Arbitration	65
Section 13.9: Mediation	66
Section 13.10: Financial Obligations	67
Section 13.11: Professional Standards Records	67

Section 13.12: Trademark Enforcement	68
<b>Chapter 14: Association Staff</b>	<b>page 70</b>
Section 14.1: Staff Time	70
Section 14.2: Employee Policy Manual	70
Section 14.3: Trustee of Employee 401K Plan	70
<b>Chapter 15: Elections</b>	<b>page 71</b>
Section 15.1: Nominations	71
<b>Chapter 16: Affiliate Membership</b>	<b>page 72</b>
Section 16.1: Affiliate Members	72
Section 16.2: Reports of Misconduct	73
Section 16.3: Financial Obligations	73
Section 16.4: Record Retentions on Professional Standards Decisions	73
<b>Chapter 17: Ombudsman Program</b>	<b>page 74</b>
Section 17.1: Ombudsman Services	74
Section 17.2: Ombudsman Requirements	74
Section 17.3: Confidentiality	75
Section 17.4: Reporting of Trends and Recurrent Issues	75

# Chapter 1: General Policies

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## Section 1.1: Antitrust Compliance Policy

**Date of Modification: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) does not and will not establish or maintain fixed or recommended rates of commission. Commissions are a matter of negotiations between the parties (the principal and the Broker), and GAAR will not interfere in those negotiations or inhibit in any way the freedom of the parties to negotiate.

The GAAR/SWMLS Antitrust Compliance Policy applies to officers, directors, employees, and members of GAAR. This policy requires that such individuals be familiar and fully comply with all applicable federal and state antitrust laws in all dealings on behalf of GAAR/SWMLS. GAAR facilities will not be used by any officer, director, employee, committee, or member in connection with any anticompetitive or unlawful purpose or unreasonable restraint of trade. Conduct expressly prohibited includes the following:

- A. Any discussion or effort to directly or indirectly fix, peg, stabilize, raise, lower or affect prices on commissions, products, advertising or credit terms;
- B. Any discussion of real estate commissions or other fees or specific non-price business practices of any particular member(s), except in the context of professional standards proceedings. (This limitation shall not extend to discussions of methods of operation, maintenance, and similar matters in which cost or efficiency is merely incidental.)
- C. Any discussion or effort by or among any members, non-members, or competitors to eliminate or limit competition, to divide or allocate territories or customers, or to
- D. limit the nature of business carried on or products or services sold or to be sold;
- E. Any discussions or effort to engage in any group boycott or concerted refusals to deal;
- F. Any discussions or effort to injure or disparage the business or the trade of anyone.

If a topic is raised which appears to involve a violation of the antitrust compliance policy, at any formal or informal GAAR/SWMLS meeting, anyone in attendance has the right and all have the duty to interrupt and demand the discussion be stopped. Those in charge of the meeting are responsible for seeing that this policy is enforced so that the prohibited conduct is stopped immediately. If the prohibited conduct persists, those responsible persons shall terminate the discussion, cancel the remainder of the meeting, and refer the matter to the President and /or GAAR legal counsel for further action to ensure compliance with the Antitrust Compliance Policy.

## **Section 1.2: Whistleblower Policy**

**Date of Modification: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) is committed to high standards of ethical, moral, and legal business conduct. GAAR is further dedicated to acting in good faith with those officers, directors, employees, or volunteers who raise concerns regarding incorrect financial reporting, unlawful activity, or otherwise improper conduct.

This Whistleblower Policy aims to provide officers, directors, employees, or volunteers with an avenue for raising such concerns, and to reassure such officers, directors, employees, or volunteers that they will be protected from reprisal or victimization as a consequence of reporting the alleged wrongdoing of any officer, director, employee, or volunteer of GAAR.

### **Statement of Policy**

No officer, director, employee, or volunteer of GAAR shall take any harmful action with the intent to retaliate against any person, including interference with employment or livelihood, by providing any truthful information relating to the commission or possible commission of any offense. Nor will any officer, director, employee, or volunteer of GAAR take any harmful action with intent to retaliate against any person for reporting to the EVP, President of the Board, or the Board of Directors the suspected misuse, misallocation, or theft of any Association resources.

### **Safeguards**

*Harassment or Victimization* – GAAR will not tolerate the harassment or victimization of any officer, director, employee, or volunteer who raises concerns under this policy.

*Confidentiality* – GAAR will make every effort to treat a complainant's identity with an appropriate regard for confidentiality with the understanding that the details of complaints may need to be shared with others in order to investigate such complaints properly.

*Anonymous Allegations* – Because a thorough investigation often depends on an ability to gather additional information, GAAR encourages complainants to put their names to allegations of wrongdoing. GAAR will explore anonymous allegations to the extent possible but may weigh the prudence of continuing such investigations against the likelihood of confirming the alleged facts or circumstances from the attributable sources.

*Bad Faith Allegations* – Allegations made in bad faith may result in disciplinary action.

## **Procedure**

### **Process for Raising a Concern:**

*Reporting* – GAAR intends this policy to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting and/or unethical or illegal conduct, may be reported directly to the EVP. In the event that an individual's concern rises to the level that he or she reasonably believes that notice to the EVP will be disregarded or otherwise not fairly considered or directly implicates the EVP, the individual may then report violations or suspected violations to the President of the Board or, if necessary, an Officer or Director of the Board. In that event, the President of the Board or the Board of Directors shall be designated to handle the report or concern and can delegate authority to the Executive Committee to conduct necessary investigations. Employment-related concerns should continue to be reported through supervisors and human resources.

*Timing* – The earlier a concern is expressed, the easier it is to take action.

*Evidence* – Although a complainant is not expected to prove the truth of an allegation, he or she should be able to demonstrate that he or she has made a report in good faith.

### **How the Report of Concern Will Be Handled:**

*Initial Inquiries* – The EVP, President of the Board, or the Board of Directors will make initial inquiries in consultation with legal counsel, if necessary, to determine whether or not further investigation is necessary or appropriate.

*Further Information* – The EVP, President of the Board, or the Board of Directors may seek further information from any officer, director, employee, or volunteer of GAAR, and shall act in accordance with the confidentiality provision of this policy.

*Reporting* – The Board of Directors shall receive information on each complaint as referenced in the first paragraph. In consultation with the EVP, if appropriate, and legal counsel, if necessary, the Board of Directors will determine an appropriate response to a report of concern. Officers, directors, employees, and volunteers of GAAR who may be implicated in such reports shall not participate in any deliberation of the Board of Directors related to the complaint, except to present information directly to the Board of Directors on his or her own behalf.

## **Section 1.3: Conflict of Interest Policy**

**Date of Modification: August 2011**

In their capacity as officers, directors, employees, and volunteers, the individual leaders of Greater Albuquerque Association of REALTORS® (GAAR) must act at all times in the best interest of the organization they represent.

### **What Is a Conflict of Interest?**

A conflict of interest may arise in any circumstance that may compromise the ability of an officer, director, employee, or volunteer to make unbiased and impartial decisions on behalf of GAAR. Such circumstances may involve family relationships, business transactions, professional activities, or personal affiliations.

Officers, directors, employees, or volunteers are encouraged to err on the side of disclosure and to report any set of circumstances to the Executive Committee that may appear to pose a conflict of interest, even if there is uncertainty as to whether such circumstances should be disclosed.

### **How Are Conflicts of Interest Identified?**

When evaluating a particular set of facts or circumstances, the Executive Committee shall consider the following non-exhaustive list of factors that may indicate a conflict of interest:

- A. Solicitation or acceptance of gifts or other items of value that may create an appearance or expectation of special treatment;
- B. Any incident of abuse or misuse of a leadership position for personal or third-party gain or benefit;
- C. Situations in which an officer, director, employee, or volunteer may be divided between personal interests or the interests of another organization and the best interests of GAAR;
- D. Business, professional, or other activities that would materially and adversely affect GAAR either directly or indirectly; and,

Any arrangement in which an officer, director, employee, or volunteer provides goods or services to GAAR as a paid vendor or has a direct or indirect ownership or employment relationship with such a vendor.

The Executive Committee may request additional information from any officer, director, employee, or volunteer at any time; however, no individual whose relationships or activities are under review may participate in deliberations, debate, or any vote of the Executive Committee while such review is pending. The findings of the Executive Committee shall be forwarded to the Board of Directors with a recommendation for action.



### **How Are Conflicts of Interest Resolved?**

If the Executive Committee or the Board of Directors identifies an actual, potential, or apparent conflict of interest, the Board of Directors may take one of the following actions to resolve such conflict:

- A. Waive the conflict of interest as unlikely to affect the officer's, director's, employee's, or volunteer's ability to act in the best interests of the organization;
- B. Determine that the individual officer, director, employee, or volunteer should be recused from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest. This course of action should apply particularly when the transaction or relationship is one which presents a conflict only with respect to one or two discrete programs or activities; or
- C. Recommend that the individual officer, director, employee, or volunteer resign from his or her service to GAAR. This course of action should apply when the conflict of interest is so pervasive that the officer, director, employee, or volunteer would seldom, if ever, be able to act solely in the best interests of the Association.

The Executive Committee may refer any such matter to the Board of Directors at any time. The Board of Directors may overrule any recommendation of the Executive Committee with regard to any actual, potential or apparent conflict of interest, and the Board of Directors reserves final authority over the resolution of all conflicts of interest (See GAAR Bylaws, Article XI, Section 8).

### **May Officers, Directors, Employees, or Volunteers Do Business with GAAR?**

A conflict of interest exists any time an officer, director, employee, or volunteer seeks to enter into a business relationship with GAAR. Similar conflicts arise through family members or through organizations in which officers, directors, employees, or volunteers serve in a leadership, employment, or ownership capacity.

Such conflicts do not, however, necessarily preclude business relationships with GAAR. The following procedure is designed to resolve conflicts of interest whenever an officer, director, employee, volunteer, or a related party, seeks to provide goods or services to GAAR as a paid vendor, or applies to receive a significant grant or contract from either organization:

- A. The officer, director, employee, or volunteer must promptly disclose the intent to enter into a business relationship with GAAR, either to the Executive Committee, the Board of Directors, or both.
- B. The officer, director, employee, or volunteer must recuse himself or herself from all deliberation, debate, and voting related to the contemplated business relationship.

- C. If the value of the transaction annually exceeds \$5,000, GAAR must solicit proposals or applications from a broad range of other qualified candidates for the agreement, contract, or grant under consideration.
- D. The Board of Directors must determine, without the presence or participation of the officer, director, employee, or volunteer under review, that the transaction is fair and in the best interest of GAAR.
- E. If the Board of Directors approves the business relationship under consideration, the officer, director, employee, or volunteer may not participate in any process by which his or her performance as a vendor, grantee, or recipient is evaluated, or in any such evaluation of a related party.

## **Section 1.4: Records Retention Policy**

**Date of Modification: August 2011**

The purpose of this policy is to ensure that necessary records and documents are adequately protected and maintained, as well as to ensure that records no longer needed, or of no value, are discarded at the appropriate time.

Records that are relevant to litigation or potential litigation must be preserved until legal counsel advises that they are no longer needed. This includes audits, investigations, litigation, as well as notice of a claim or notice of potential litigation

### **Organizational and Legal Records**

Articles of Incorporation	Permanent
Charter	Permanent
Policies and Procedures	Permanent
By-Laws	Permanent
Minutes of Board Meetings	Permanent
Deeds and Titles	Permanent
Leases	6 years after expiration or termination
Contracts and Agreements	6 years after expiration or termination
Public Filings	6 years
Press Releases	6 years
Attorney Opinion Letters	After expiration or termination of agreement to which opinion applies; otherwise 6 years
Legal counsel will be consulted to determine the retention period for particular documents	Generally 6 years

### **Member Records**

#### ***Member Folders***

Enrollment Forms	3 years after inactive/termination
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Membership Change Forms	3 years after inactive/termination
Training and Education Records	3 years after inactive/termination
Professional Standards Decisions in arbitration and ethics matters	3 years after inactive/termination
Enrollment Forms	3 years after inactive/termination
Membership Change Forms	3 years after inactive/termination
Training and Education Records	3 years after inactive/termination
Professional Standards Decisions in arbitration and ethics matters	3 years after inactive/termination
Enrollment Forms	3 years after inactive/termination

### **Professional Standards Records**

Ethics Complaints Files	1 year after completion of disciplinary action or ratification of decision
Arbitration Files	1 year after payment of award
Mediation Files: Agreements to Mediate And Confidentiality Statements only	1 year after mediation conference or case is closed

### **Ombudsman Program Records**

Only high level topics or categories of concern and trending data will be retained.

### **Employment, Payroll, and Personnel Files**

Job Announcements and Application Materials	6 months
Employment Eligibility Verification	3 years after employee terminates
Time Sheets	7 years
Garnishments	7 years
401(k) Plan Enrollments	3 years after employee terminates
All employment tax regulation filings (i.e. Forms 941 and 940, SUTA reports, State withholding)	7 years

### **Benefit, Medical, Health and Safety Records**

Insurance Enrollment Forms	3 years after employee terminates
Incentive Plans	7 years after expiration
Retirement Plans	7 years after expiration
Accident / Incident Reports	6 years
Disability Claims	3 years after life of claim
Workers Compensation Claims	3 years after life of claim

### **Federal, State, and Local Tax Records**

IRS Form 990, NM CIT-1, and Support	Permanent
Gross Receipts Tax Reports	6 years
State Public Regulation Commission filings	6 years

**Accounts Payable/Accounts Receivable Records**

Original Invoices	7 years
Employee Expense Reports	7 years
1099 Forms	7 years
Accounts Receivable	7 years
Receipts	7 years
Uncollected Accounts	7 years

**Bank and Investment Records**

Bank Statements	7 years
Deposit Records	7 years
Bank Reconciliations & Support	7 years
Wire Transfer Records	7 years
Investment Records	7 years
Bank Statements	7 years

**Financial Records**

Annual Financial Reports (audited)	Permanent
Audit Reports and Work Papers	Permanent
General Ledgers	7 years
Subsidiary Ledgers	7 years
General Ledgers	7 years
Subsidiary Ledgers	7 years

**Budget Records**

Budget Records	7 year
Budget Variance Reports	7 year

**Facilities Records**

Building Permits	7 years
Building Plans and Specifications	7 years
Zoning Permits	7 years
Operating Permits	7 years
Maintenance Records	7 years

**Insurance Records**

Property Insurance Policies	Life of the property
Liability Insurance Policies	Life of the Policy plus 3 years
Insurance Claim Documents	Settlement plus 3 years

**Capital Property Records**

Property Records (other than title records)	7 years
Property title records	7 years after transfer of property title
Depreciation Schedules	7 years

Mortgages, Bonds and Other Long-Term Debt Records	7 years
Property Improvement Records	7 years
Property Sales	7 years

### **E-mail Records**

All e-mails relevant to the above categories should be electronically stored separately from e-mail program.

### **Benefit, Medical, Health and Safety Records**

Insurance Enrollment Forms	3 years after employee terminates
Incentive Plans	7 years after expiration
Retirement Plans	7 years after expiration
Accident / Incident Reports	6 years
Disability Claims	3 years after life of claim
Workers Compensation Claims	3 years after life of claim

### **Federal, State, and Local Tax Records**

IRS Form 990, NM CIT-1, and Support	Permanent
Gross Receipts Tax Reports	6 years
State Public Regulation Commission filings	6 years

### **Accounts Payable/Accounts Receivable Records**

Original Invoices	7 years
Employee Expense Reports	7 years
1099 Forms	7 years
Accounts Receivable	7 years
Receipts	7 years
Uncollected Accounts	7 years

### **Bank and Investment Records**

Bank Statements	7 years
Deposit Records	7 years
Bank Reconciliations & Support	7 years
Wire Transfer Records	7 years
Investment Records	7 years
Bank Statements	7 years

### **Financial Records**

General Ledgers	7 years
Subsidiary Ledgers	7 years
Annual Financial Reports (audited)	Permanent
Audit Reports and Work Papers	Permanent
General Ledgers	7 years
Subsidiary Ledgers	7 years

**Budget Records**

Budget Records	7 year
Budget Variance Reports	7 year
Property Insurance Policies	Life of the Property
Liability Insurance Policies	Life of the Policy plus 3 years
Insurance Claim Documents	Settlement plus 3 years
Budget Records	7 year

**Facilities Records**

Building Permits	7 years
Building Plans and Specifications	7 years
Zoning Permits	7 years
Operating Permits	7 years
Maintenance Records	7 years
Building Permits	7 years

**Insurance Records**

Property Insurance Policies	Life of the property
Liability Insurance Policies	Life of the Policy plus 3 years
Insurance Claim Documents	Settlement plus 3 years

**Capital Property Records**

Property Records (other than title records)	7 years
Property title records	7 years after transfer of property title
Depreciation Schedules	7 years
Mortgages, Bonds and Other Long-Term	7 years
Debt Records	
Property Improvement Records	7 years
Property Sales	7 years

**E-mail Records**

All e-mails relevant to the above categories should be electronically stored separately from e-mail program.

**{This section is moved to Chapter 1: Section 1.5 formerly located in Chapter 4.6}**

## Section 1.5: Investment Policy

Date of Adoption/Modification/Re-adoption: June 24, 2015

### **Purpose**

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding of the investment objectives and policies of the operating reserves of the Greater Albuquerque Associations of REALTORS®, Inc. (GAAR). The objectives are:

- A. Outline reasonable expectations, objectives and guidelines in the investment of GAAR's assets
- B. Detail permitted asset classes and expected allocation among asset classes
- C. Create the framework for a well-diversified asset mix that can be expected to generate acceptable intermediate-term rates of return at a level of risk suitable to GAAR.
- D. Specify what constitutes minimum communication between the Investment Consultant and GAAR's Executive Committee.
- E. Establish formal criteria to monitor, evaluate, and compare the risk adjusted performance results achieved by the portfolio on a systematic basis.

This IPS is intended to be a summary of an investment philosophy that provides guidance and continuity for GAAR, its board members both now and in the future, Executive Committee Members, and their Investment Consultant.

Any changes to this policy must be approved by the GAAR Board of Directors and communicated in writing and on a timely basis to all interested parties. If any term or condition of this Investment Policy Statement conflicts with any legal governing document, the document shall control, as long as such term or conditions are consistent with the law.

### **Executive Summary**

Type of Organization	501(c) 6 Association
Fiduciary Standard of Care	Prudent Man Rule
State of Domicile	New Mexico
Tax ID	XX-XXXXXXX
Current Assets	\$2,264,000 (as of 9/1/2013)

Time Horizon	3-5
Modeled Return	6% annualized
1-Year Loss Limit	-18%

## **Asset Allocation Summary**

The broad asset allocation summary includes:

<b>Asset Class</b>	<b>% Total</b>
Cash	10%
Fixed Income	50%
U.S. Equity	30%
International Equity	10%
<b>TOTAL</b>	<b>100%</b>

## **Statement of Objectives**

### **Background and Mission**

The Greater Albuquerque Associations of REALTORS®, Inc. was established in 1921. The mission is to enhance the REALTOR® profession and to advocate for private property rights. These funds are operating reserves which are not currently committed to future projects but can be accessible for future cash needs.

### **Objectives**

This policy has been arrived at after consideration by the GAAR Executive Committee and approval by the Greater Albuquerque Associations of REALTORS®, Inc. Board of Directors regarding of a wide range of policies, and describes the prudent investment process deemed appropriate. This process involves hiring one or more Portfolio Managers through the Investment Consultant who will utilize various asset classes and investment management styles that, in total, are expected to diversify the portfolio in a manner consistent with the specified risk and return parameters identified by the Greater Albuquerque Associations of REALTORS®, Inc. Board of Directors as suitable for these operating reserves.



**The objectives of the portfolio are:**

- A. Maintaining the purchasing power of the current assets and all future contributions. The return objective is to equal or exceed the rate of inflation as measured by CPI.
- B. Maximizing return within reasonable and prudent levels of risk.
- C. Maintaining an appropriate asset allocation based on Modern Portfolio Theory.
- D. Preserving and growing operating reserves for the Greater Albuquerque Associations of REALTORS®, Inc.

**Time Horizon**

The investment guidelines are based upon an investment horizon of 3-5 years. The Portfolio's Asset Allocation is also based on this intermediate term perspective. Short and Intermediate term liquidity requirements are anticipated to be handled in a separate account dedicated for those needs, or by cash inflows from normal operating revenues.

**Risk Tolerances**

GAAR recognizes and acknowledges that some risk must be assumed in order to achieve the investment objectives of the portfolio and that there are uncertainties and complexities associated with contemporary investment classes.

In establishing the risk tolerances for this Investment Policy Statement, GAAR's ability to withstand short and intermediate term price volatility was considered. GAAR's prospects for the future, current financial condition and level of funding in the portfolio suggest collectively that some interim fluctuations in market value and rates of return may be tolerated in order to achieve longer-term objectives.

To help quantify the level of risk GAAR is willing to accept, a Risk Tolerance questionnaire was completed on September 6, 2013. A copy of this questionnaire is included in Addendum "A" to this IPS. The score of 18 on the questionnaire indicates the risk tolerance as a Profile 2 investor. Losses of 16% in a given year are tolerable though obviously undesirable. The expected return and volatility of these returns are illustrated in the Asset Allocation section below.

**Spending Policy**

No spending policy is being specified at this time because cash needs will be addressed in another account utilizing short term investment instruments.

**Asset Class Guidelines**

GAAR believes long term investment performance, in large part, is primarily a function of asset class mix. GAAR has reviewed the long term performance characteristics of the broad asset classes, focusing on balancing risks and rewards.

Historically, while interest generating investments, such as bonds, have had the advantage of relative stability of principal value, they have provided little opportunity for real long term capital growth due to their susceptibility to inflation. Equity investments, such as common stocks, have traditionally had a significantly higher possible return, but have displayed the disadvantage of greater year-over-year variability of return. From an investment decision making point of view, year-over-year variability may be mitigated by GAAR's 3-5 year investment time horizon.

### **Strategic Asset Allocation**

An approach using Strategic Asset Allocation will be utilized for the portfolio. Proper portfolio diversification has historically proven to be a key tool in managing risk. While neither diversification nor strategic asset allocation can assure profit or protect against loss in declining markets, determining the right mix of asset classes is one of the first and most important decisions to make regarding the long-term management of GAAR's operating reserves.

The investment style of a variety of Portfolio Managers has historically played a key role in portfolio performance. These distinct investment styles and asset classes have different risk and return characteristics. Diversification across multiple asset classes and Portfolio Managers can reduce portfolio volatility without sacrificing targeted returns. The Portfolio Managers will combine investments in mutual funds within and across the various asset classes to achieve the highest expected returns consistent with specified risk tolerance and time horizon.

### **Acceptable Asset Classes**

The following asset classes have been approved by GAAR.  
See the Glossary in Addendum C for definitions of terms listed below.

*The performance expectations (both risk and return) of each broad asset class are contained in Addendum A.*

#### **1. Cash and Short Term Fixed Income Securities**

- Treasury Bills
- Money Market Investment Funds
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit

#### **2. Fixed Income Securities**

- Treasury Inflation Protected Securities (TIPS)
- U.S. Government and Agency Securities
- Corporate Notes and Bonds (BBB or better)
- Mortgage Backed Bonds, Asset Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Collateralized Mortgage Obligations

### **3. Equity Securities**

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depositary Receipts (ADRs) of Non-U.S. Companies
- Stocks of Non-U.S. Companies (Ordinary Shares)
- Real Estate Investment Trusts (REIT's)

### **4. Mutual Funds**

- Mutual Funds which invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.

### **5. Exchange-Traded Funds**

- Exchange-traded funds which invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.

### **6. Other/Alternatives**

- Hedge Fund of Funds –Registered
- Managed Futures
- Commodity Strategies – Limited to mutual funds or ETFs
- High Yield Bonds
- Socially Responsible Investment Strategies – Equities or Mutual Funds
- Emerging Market Equity or Debt
- Master Limited Partnerships (MLPs)
- Options – Covered Calls & Protective Puts

### **Prohibited Assets**

- Private Equity
- Private Placements
- Limited Partnerships
- Venture-Capital Investments
- Real Estate Properties
- Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs
- Naked Options
- Non-Registered investment cooperatives or Pooled Funds

### **Prohibited Transactions**

Prohibited transactions include, but are not limited to the following:

- Margin Transactions
- Short Sales

### **Security Restrictions**

Unregistered securities and unmarketable securities will not be allowed. Each investment option shall be managed by a bank, an insurance company, a registered investment company (mutual fund), or a registered Investment Advisor.

### Asset Allocation

Based upon GAAR's tolerance for risk and time horizon, the following mix of investment classes are best suited to meet GAAR's objectives.

Asset Class	Target Allocation	Acceptable Range	Performance Benchmark
Cash	10%	1% - 15%	Citigroup 3-Month Treasury
U.S. Fixed Income	50%	25% - 65%	Barclays Aggregate Bond
Intl Fixed Income	10%	0% - 20%	Citigroup World Gov Bond
Large Growth	7%	5% - 15%	Russell 1000 Growth
Large Value	8%	5% - 15%	Russell 1000 Value
Mid Cap	5%	0% - 7%	Russell Mid-Cap
Small Cap	0%	0% - 5%	Russell 2000
International	10%	5% - 20%	MSCI EAFE
Emerging Markets	0%	0% - 5%	MSCI Emerging Markets
Real Estate	0%	0% - 5%	FTSE NAREIT Global
Commodities	0%	0% - 5%	Dow UBS Commodity
Hedge Funds	0%	0% - 3%	HFRI Fund of Funds
Managed Futures	0%	0% - 3%	S&P DTI
Tactical	0%	0% - 5%	MSCI World
<b>TOTAL</b>	<b>100%</b>		

### Return and Risk Expectations

Based upon RBC Wealth Management's Advisory Risk Profile (Addendum "B"), the Proposed Asset Mix has the following Return and Risk Expectations.

- Return: 6%
- Risk: 6.5% (Standard Deviation)
- 1-Yr Potential Gain: 35%
- 1-Yr Potential Loss: -18%

### **Rebalancing**

The percentage allocation to each asset class may vary depending upon market conditions. Please reference the asset allocation table for the lower and upper limits (acceptable range) for each asset class. The Portfolio Manager will rebalance the portfolio to remain within the limits listed within the asset allocation table. If there are multiple Portfolio Managers, the Investment Consultant will be responsible for rebalancing.

## **Duties and Responsibilities**

### **Executive Committee**

As fiduciaries for GAAR, the primary responsibilities of the Executive Committee related to investment monitoring are:

- A. Prepare and maintain the investment policy statement.
- B. Insure that policies and guidelines are followed and reviewed periodically for suitability to a changing organization.
- C. Monitor and supervise the Investment Consultant's adherence to investment guidelines and reporting standards.
- D. Evaluate performance relative to established guidelines and indices.
- E. Change Investment Consultant's should they fail to meet established standards.
- F. Authorize the Investment Consultant to change Portfolio Managers should they fail to meet established standards.
- G. Avoid prohibited transactions and conflicts of interest.

GAAR must provide their Investment Consultant all relevant information on financial condition and risk tolerance changes and must notify the Investment Consultant promptly of any changes to this information. GAAR will meet quarterly with the Investment Consultant for performance reviews.

GAAR will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the goals is the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS. Effort has been made to broaden the acceptable ranges on the asset classes to accommodate most changes in market conditions while safeguarding general principals of a conservative investment portfolio.

### **Custodian**

Custodians are responsible for the safekeeping of GAAR's assets. (This is currently RBC Wealth Management.) The specific duties and responsibilities of the custodian are:

- A. Value the holdings.
- B. Collect all income and dividends owed to GAAR.
- C. Settle all transactions (buy sell orders).
- D. Provide monthly reports that list all assets held by GAAR, values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
- E. GAAR shall receive no less frequently than on a quarterly basis and within 45 days of the quarter end the following management reports:
  - 1) Portfolio performance results over the last quarter, 1 year, 3 years, and 5 years, etc.
  - 2) Performance results of comparative benchmarks for the applicable periods. A weighted customized benchmark will be used to measure how well the accounts' different asset classes have performed against corresponding benchmarks. (See the Asset Allocation Illustration.)
  - 3) Portfolio allocation comparison to stated objectives.
  - 4) Quantitative analysis of Portfolio Manager's performance on both an absolute and risk-adjusted basis relative to the investments' benchmark index.

### **Investment Consultant**

The Investment Consultant (currently Paulette Reed until April 1, 2015 and, thereafter, the Cates Team, RBC Wealth Management) serves as an objective, third party professional retained to assist GAAR in managing the overall investment process. The Investment Consultant is responsible for guiding the Committee through supervision of a disciplined and rigorous investment process to enable the Committee to meet the fiduciary responsibilities outlined above.

The Investment Consultant shall be responsible for:

- A. Advising the Committee about the selection and allocation of Portfolio Managers.

- B. Monitoring the performance of Portfolio Managers and alerting the committee of any concerns including but not limited to performance.
- C. Reporting to GAAR changes within the Portfolio Managers' organizations which may affect portfolio (such as personnel changes).
- D. Periodically reviewing the suitability of the investments for GAAR, making sure the Investment Policy Statement is followed.
- E. Meeting with GAAR quarterly, and being available at such other times within reason as GAAR requests.
- F. Preparing and presenting appropriate reports which GAAR requests.

The Investment Consultant cannot be a GAAR Board member or a member of any of its committees or an employee of GAAR.

The Investment Consultant shall not take title to any assets and shall be responsible only to make recommendations to GAAR and to implement decisions as directed by the GAAR Executive Committee and the Board of Directors.

On a quarterly basis the GAAR Executive Committee will meet with the Investment Consultant to review:

- A. The portfolio's conformance to the Investment Policy Statement's guidelines.
- B. Performance relative to specified benchmarks along with market commentary.
- C. Any changes in the financial status or objectives of GAAR.
- D. Timely market commentary.

### **Portfolio Managers**

The Portfolio Manager will be responsible for:

- A. Managing the assets under their supervision in accordance with the guidelines and objectives outlined in their respective Service Agreements, Prospectuses or Trust Agreements.
- B. Exercising full investment discretion with regards to buying, managing, and selling assets held in the Portfolio.
- C. Voting promptly all proxies and related actions in a manner consistent with the interests and objectives of the Portfolio as described in this IPS. Each Portfolio Manager shall keep

detailed records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

- D. Communicating to the Investment Consultant all significant changes pertaining to the fund it manages or the management firm itself. Changes in ownership, organizational structure, financial condition, and professional staff are examples of changes to the firm in which the Investment Consultant on behalf of GAAR is interested.
- E. Effecting all transactions for the Portfolio subject "to best price and execution."
- F. Using the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals, acting in a like capacity and fully familiar with such matters, would use in like activities for like Portfolios with like aims in accordance and compliance with all applicable laws, rules, and regulations.

## **Monitoring**

### **Performance Objectives and Monitoring**

GAAR acknowledges fluctuating rates of return characterize the securities markets, particularly during short term time periods. Recognizing that short term fluctuations may cause variations in performance, GAAR intends to evaluate investment performance from an intermediate term perspective.

The Executive Committee is aware the ongoing review and analysis of the portfolio is just as important as the original due diligence process. The performance of the portfolio will be monitored on an ongoing basis and it is the Investment Consultant's responsibility to recommend replacing the Portfolio Manager if they deem it appropriate at any time and for any reason.

### **Watch List Criteria**

A Portfolio Manager will be placed on a watch list and a more thorough review and in-depth analysis may be conducted, when:

- A. Performance drops below the median peer performance for four consecutive quarters.
- B. Performance falls significantly below the custom benchmark which mirrors the weighted performance of each asset class.
- C. The portfolio's risk adjusted return (Alpha and/or Sharpe) falls below the peer group's median risk adjusted return for four consecutive quarters.
- D. There is a change in the professionals managing the portfolio.



- E. There is an indication the portfolio holdings are deviating from the stated style and/or strategy.
- F. There is an increase in the investment option's fees and expenses.
- G. Any extraordinary event occurs that may interfere with the Portfolio Manager's ability to prudently manage investment assets.

Along with the factors above, the Investment Consultant's confidence in the investment option's ability to perform in the future will be a large consideration in ultimately determining the retention of a Portfolio Manager. Ultimately though, a vote of the majority of GAAR Executive Committee's members determines the retention or firing of a Portfolio Manager on the "watch list".

# Chapter 2: Governance

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**Date of Adoption: August 2011**

The governing body of the Greater Albuquerque Association of REALTORS® (GAAR) is the Board of Directors (Board). The Board consists of Officers and the additional twelve (12) Directors who are REALTOR® members of the Association. The Officers include the President, President Elect, Vice President, Ex-Officio Secretary, Treasurer, and Immediate Past President.

The GAAR Bylaws, Articles XI – XV, establish the definitions for Officers, Directors, Executive Committee; define the chain of authority; set eligibility requirements and term durations; address election timing and processes; establish Rules of Order; and provide other foundational information. The intent of this policy is to supplement, not duplicate, the Association's governance information provided in the Bylaws.

## **Section 2.1: Duties of the President for the Greater Albuquerque Association of REALTORS® Board of Directors**

The President shall serve as the Chairperson of GAAR's Board of Directors and the Executive Committee. He/she shall give direction to the development, and leadership to the achievement of the Association's philosophy, mission, and strategy, and to its goals and objectives. The President will monitor that the Association is making consistent and timely progress toward the fulfillment of the Strategic Plan.

The President chairs the meetings of the Board of Directors and sees that the Board functions effectively and fulfills all of its duties.

The President recommends/appoints committee chairs with an eye to future succession and leadership development. He/she works with the Executive Committee and the Executive Vice President to recruit members for the Board and other talent for volunteer assignments as needed.

As a partner with members of the Board of Directors, the President will work to optimize the relationship between the Board and the management of the Association.

As a partner with the Executive Vice President of the Association, the President will help him/her achieve the mission and strategic objectives outlined in the Strategic Plan.

The President shall serve as an authorized signator on approved bank and investment accounts, and may enter into contracts with the approval of the Board of Directors.

## **Section 2.2: Spokesperson for the Greater Albuquerque Association of REALTORS®**

The President shall serve as the chief spokesperson for the Association and shall represent the Association at local, state, regional and national meetings/events. In the event that the President is unavailable, the Executive Vice President will serve as the spokesperson.

## **Section 2.3: Delegate to the National Association of REALTORS®**

The President shall serve as Delegate to the National Association of REALTORS® (NAR) Delegate Body meeting. If the President is unable to attend this meeting, the Directors will elect an alternate.

## **Section 2.4: Duties of the President Elect for the Greater Albuquerque Association of REALTORS® Board of Directors**

The President Elect is the second-ranking elected officer of GAAR, and will assume the position of President at the conclusion of his or her term. The President Elect shall serve as a member of the Executive Committee and perform functions necessary as a member of the senior leadership team of the Association.

The President Elect shall support the President in fulfilling the goals and objectives of the Association by providing continuity to established programs and ensuring that future programs are consistent with the Strategic Plan.

The President Elect will assume the responsibilities of the President in his or her absence, and accepts responsibilities as delegated by the President. He/she attends Board of Directors, Executive Committee, and membership meetings of the Association.

The President Elect will select the Vice Chairs of Standing Committees.

The President Elect shall serve as an authorized signator on approved bank and investment accounts.

## **Section 2.5: Duties of the Vice President for the Greater Albuquerque Association of REALTORS® Board of Directors**

The Vice President shall act for the President in the absence of the President and the President Elect. The Vice President shall serve as a member of the Executive Committee and perform functions necessary as a member of the senior leadership team of the Association. The Vice President will provide depth to the leadership structure and serve as a development position for increasingly responsible governance roles.

The Vice President shall serve as an authorized signator on approved bank and investment accounts.

## **Section 2.6: Duties of the Immediate Past President for the Greater Albuquerque Association of REALTORS® Board of Directors**

The Immediate Past President shall serve as a member of the Executive Committee during the year immediately following the year of his Presidency, and perform functions necessary as a member of the senior leadership team of the Association.

The Immediate Past President shall support the goals and activities of the President, and provide advice, guidance, and assistance to the President, as requested.

The Immediate Past President will play a leadership role on the Board by encouraging cooperation and teamwork, and serve as a consensus-builder. He/she will use the experience gained as President Elect and President to help move Board deliberations along constructive, productive lines.

The Immediate Past President shall serve as an authorized signator on approved bank and investment accounts.

## **Section 2.7: Duties of the Treasurer for the Greater Albuquerque Association of REALTORS® Board of Directors**

The Treasurer monitors that the Association maintains accurate financial records, and reviews Association expenditures and financial status on a regular basis to ensure overall fiscal integrity. The Treasurer shall serve as a member of the Executive Committee and perform functions necessary as a member of the senior leadership team of the Association.

The Treasurer ensures that regular financial reports are submitted to the Board of Directors and Executive Committee, and presents an annual financial report to the membership.

The Treasurer submits the financial accounts of the Association to an annual independent auditing firm.

The Treasurer shall serve as an authorized signator on approved bank and investment accounts.

## **Section 2.8: Duties of the Ex-Officio Secretary of the Greater Albuquerque Association of REALTORS®**

The Ex-Officio Secretary of the Association, who shall be the Executive Vice President, will ensure the creation and retention of corporate minutes and records in accordance with state law.

He/she serves as an ex-officio, non-voting member of the GAAR Board of Directors and the Executive Committee.

## **Section 2.9: Duties of the Executive Vice President of the Greater Albuquerque Association of REALTORS®**

The Executive Vice President (EVP) is the top staff position at GAAR and is responsible for the management of the Association. As such, the EVP shall have the authority to hire, supervise, evaluate, and terminate other staff and shall perform such other duties as prescribed by the Board of Directors.

The EVP shall coordinate and authorize all requests for staff time, other than normal liaison functions, made by committees and members.

The EVP is an active partner with the Board of Directors and is integral in (1) facilitating the development, and (2) monitoring the execution of the Strategic Plan. Additionally, he/she ensures the currency of and conformance to the governing documents of the Association.

The EVP shall be designated as trustee of the employee 401K Plan and is empowered to carry out the duties of trustee as required by the plan administrator and/or law.

The EVP acts as Spokesperson for the Association if the President is not available.

The EVP serves as Ex-Officio Secretary of the Corporation, and a non-voting member of the GAAR Board of Directors and the Executive Committee. In this capacity, he/she will ensure the creation and retention of corporate minutes and records in accordance with state law.

The EVP will have oversight of all the Fund's assets and account management, and will have signature authority on investment transactions consistent with the GAAR Investment Policy, Section 4.5.

## **Section 2.10: Addressing the Greater Albuquerque Association of REALTORS® Executive Committee or Board of Directors**

Anyone, other than members, wishing to address the Executive Committee or the Board of Directors must have the approval of either the Executive Committee or the President.

## **Section 2.11: Duties of the Directors on the Greater Albuquerque Association of REALTORS® Board of Directors**

As the governing body of the Association, the Board of Directors sets and advances the Association's mission; develops, approves, and supports the strategic direction, goals, and

objectives as set forth in the Strategic Plan; and works to enable the Association to achieve its mission.

The Board ensures the satisfactory management of the Association by selecting, hiring, supporting, and evaluating the Executive Vice President. The Board also provides financial oversight and ensures the financial health of the Association; approves the annual budget, the audit firm, and legal counsel; reviews and approves major Association decisions, commitments, and plans including expenditures, loans, etc.; provides adequate resources to support the Association mission, goals, objectives, initiatives, and programs; enhances the Association's image and public standing; and takes actions and supports programs and processes to grow, sustain, and develop Association leadership. The Board of Directors will conduct individual and full-board self-evaluations to clarify expectations, evaluate effectiveness, and raise the bar for outstanding board accountability and performance.

In the conduct of business, the Board must meet the following basic legal duties:

- Duty of Care – taking reasonable care and exercising sound judgment when making decisions for the Association;
- Duty of Loyalty – always acting in the best interest of the Association; supporting decisions that are made by the Directorate body; avoiding conflicts of interest and recusing self when necessary to ensure integrity of decisions, etc.
- Duty of Obedience – adhering to the Associations governing documents (Bylaws, Policy Statement, etc.); acting in accordance with the mission of the Association

Additionally, the Board will respect and adhere to the Guiding Principles (Sec. 2.14) developed by the Board of Directors.

To ensure coverage under the Professional Liability Insurance plan provided by the National Association of REALTORS® (NAR), the Board will conform to the eligibility requirements as defined by NAR.

In communications related to key issues or topics of relevance to the Association, Directors will refrain from the use of emails to the Board of Directors or a subset of Board members. If the topic is a matter for discussion or to solicit feedback, or that needs a Board decision, the topic shall be added to the agenda for the next scheduled Board meeting.

## **Section 2.12: Directors to the REALTORS® Association of New Mexico's Board of Directors**

The GAAR Board of Directors will elect members to serve as Directors to the REALTORS® Association of New Mexico's Board of Directors. The Directors will notify members of openings as they become available.

## **Section 2.13: Duties of a Committee Chairperson**

The Committee Chairperson shall develop, with support from the staff liaison, agendas for meetings that can be sent to committee members along with pertinent enclosures at least one week prior to the scheduled meeting date. The Chairperson shall chair all committee meetings, ensuring meeting notes are recorded and published, and provide written reports on committee's activities to the Board of Directors and/or the Executive Committee.

The Committee Chairperson shall be responsible for ensuring the members of the Committee are trained, knowledgeable, and capable to fulfill the functions of the Committee. He/she will build future leadership for the Committee, and encourage and take responsibility for members' attendance at Committee meetings and participation in Committee's roles and activities. On an annual basis, he/she will recommend to the Board President new Committee members.

The Committee Chairperson is responsible for progress towards the assigned responsibilities from the Strategic Plan and is responsible for reporting to the Board of Directors progress towards fulfillment of those goals.

## **Section 2.14: Duties of a Committee Member**

Committee members shall faithfully attend Committee meetings, being conscious of the need for a quorum and responsible in notifying the Staff Liaison of any absences. Committee members shall actively participate in the on-going work of the Committee and any subcommittees.

Committee members shall prepare for meetings by reviewing meeting notes of the previous meeting and agendas; reviewing any supplemental materials; and bringing materials sent to Committee members to the meeting for discussion.

Committee members shall be prepared to report on progress of assignments.

## **Section 2.15: Duties of a Staff Liaison**

Staff Liaisons to Committees shall meet with new Committee Chairpersons prior to first Committee meetings to review function, roles, and responsibility of the Committee; relevant plans and carry-over projects; proposed activities for the coming year; and policies and procedural guidelines. He/she will provide Committee continuity from year to year.

Staff Liaison shall assist Committee Chairperson in planning meetings and agendas; recording meeting notes; handling logistical details associated with meetings and sponsored events; preparing correspondence for the Committee; maintaining appropriate records; and gathering necessary information for policy decisions and meeting preparations.

Staff Liaison shall advise Chairpersons on policies and procedures of the Association and on important issues and significant developments. He/she will prepare chair for reporting to the Board of Directors and/or the Executive Committee.

## **Section 2.16: Guiding Principles**

The Guiding Principles were developed by the Board of Directors and will be followed in their service as leaders in the Association.

**We commit to integrity.** To honor this commitment:

- We will do what we say.
- We will be on time.
- We will do the "right" thing even though no one is watching.
- We will treat each other and members with respect, always remembering the "cooperation" with each other is the hallmark of our success.
- We will work as a team, collaborating to reach the "best" decision.

**We commit to act with high standards of professional conduct.** To honor this commitment:

- We will be present and prepared.
- We will be open-minded and thoughtful as we consider all sides of an issue.
- We will encourage creative thinking and conversation.
- We will put aside personal agendas and attend to the business of the Association.
- We will be involved in activities of the Association in addition to participation in Board of Director meetings.
- We will dress professionally.
- We will follow the rules that govern the Association.

**We commit to clear communication in all dealings.** To honor this commitment:

- We will listen attentively and not interrupt.
- We will listen twice as much as talking.



**We commit to accountability and fiscal responsibility.** To honor this commitment:

- We will honor transparency in all business dealings.
- We will be proactive in budgeting for the programs of the Association, taking care with member dues.

**We commit to being mindful of the needs of the Association members.** To honor this commitment:

- We will engage in discussions that include the needs of all brokers.
- We will engage in activities that unite brokerages, whether big or small.

**We commit to “do no harm.”** To honor this commitment:

- We will use appropriate language, never engaging in name calling or belittlement of others.
- We will respect diversity.
- We will serve all members, and fairly administer the programs supported by the Association.
- We will consider policy that benefits all members, taking into consideration that the needs of the brokerages and the brokers may be different.

## **Section 2.17: The REALTOR® Fund: Then, Now & Forever Committee**

**Date of Adoption: August 2011**

The REALTOR® Fund: Then, Now & Forever Committee shall consist of at least 9 members, to include a Chair and Vice Chair. At the discretion of the President, additional members may be appointed.

Appointments to The REALTOR® Fund: Then, Now & Forever Committee will be for a three-year term, with each new term commencing on the 1<sup>st</sup> day of January of any given year. The term for initial membership shall be determined by the Members of the Committee but shall not exceed three years. Succeeding terms shall be for staggered three year terms. The Chair and Vice Chair positions will be for a one year term. Appointments will be made by the President of the Board of Directors and approved by the Board of Directors. Terms may be extended for an additional three years with approval by the Board of Directors. At the beginning of the calendar year, the President of the Board of Directors will appoint the Chairperson of the Committee, and the President-Elect of the Board of Directors will appoint the Vice Chairperson of the Committee. The Vice Chairperson will assume the Chairperson position the following year.

Appointees to The REALTOR® Fund: Then, Now & Forever Committee must meet the following standards:

(a) Be committed to the health, preservation, and purpose of The REALTOR® Fund: Then, Now & Forever.

(b) Members of the Committee are expected to contribute and/or raise funds to support the endowment fund.

Vacancies will be appointed by the President and approved by the Board of Directors to fill the remainder of the term being vacated.

# Chapter 3: Travel

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**Date of Adoption/Modification/Readoption: May 21, 2014**

## **Section 3.1: Travel Policy for Members**

Budgeted travel expenses and registration fees for the President and President-Elect shall be established in the annual budget for the following meetings:

- National Association of REALTORS® (NAR) Annual Convention
- National Association of REALTORS® Mid-Year Meeting & Legislative Conference
- National Association of REALTORS® Leadership Training (President-Elect only)
- REALTORS® Association of New Mexico Legislative & Leadership Conference
- REALTORS® Association of New Mexico Annual Meeting
- Rocky Mountain Regional Meeting
- Other meetings as approved in the Budget

Any other travel requirements in line with the responsibilities of carrying out the duties of the office of President and President-Elect will be approved from time to time by the Board of Directors.

### **General Guidelines**

When traveling on behalf of GAAR, an expense report (Form XXX) must be submitted within 30 days of the approved business travel. The form must include the member's name, e-mail and mailing addresses, date(s) of travel, business purpose, and member signature. The completed form and all receipts must be submitted to GAAR for approval. GAAR will not reimburse expenses which are not in compliance with this policy or IRS requirements. If discrepancies are noted on the expense report, the Executive Vice President will contact the member to resolve the issue. If unresolvable at the staff level, the Executive Committee must determine whether the item(s) are reimbursable.

After the expense report is approved, it is submitted to GAAR finance for processing. Accounts payable are processed twice monthly.

Receipts are required for all expenditures. Tips not included on a receipt for a meal or transportation do not require a receipt but should be described in detail.

### **Reimbursable Expenses**

The following expenses are reimbursable for members traveling on behalf of the Association.

## **Registration**

Registration for a meeting included in the budget will be arranged by the Executive Vice President with the maximum number of reimbursable days being determined based upon the length of the meeting. Generally, registrations are paid for through the association and do not require reimbursement.

## **Airline/Rail Transportation**

Members must purchase seating in the Economy or Coach class of fares. Early bird check-in fees will be reimbursed. Additional costs for premium class seating (ex. – first class, business class, economy plus, etc.) are not reimbursable. Tickets should be purchased as early as possible to take advantage of the lowest costs.

- 1) Seat assignment fees within the Economy or Coach classes are reimbursable. However, convenience charges such as fees for extra leg room, priority check-in and express security clearance fees, etc. are not reimbursable.
- 2) Checked and carry-on baggage fees (up to a total of 2 checked bags per trip) are reimbursable. However, overweight baggage fees are not reimbursable.
- 3) A member can include personal travel in conjunction with an approved business trip; however, the member is responsible for payment of the personal portion of the trip or costs over the cost of a direct economy or coach class ticket.
- 4) Members will not be reimbursed for business use of frequent flyer miles or vouchers, vouchers for bumping, discount coupons or other instruments of value. Such discount instruments, if earned as a result of personally paid travel should be used for subsequent personal travel.
- 5) Costs associated with change of original travel will not be reimbursed.

Airline/Rail travel receipts must be submitted.

## **Use of Personal Vehicle – Mileage/Parking**

If a member chooses to drive to a meeting in lieu of flying, he/she should consult with the Executive Vice President. Reimbursement will be based on reasonable costs and the amount will not be higher than applicable coach air travel costs. Mileage reimbursement is equal to the number of business miles driven multiplied by the IRS approved mileage rate. Gas used in a personal car is not reimbursed because the IRS includes this expense in the mileage reimbursement calculation. Actual costs of parking and tolls for approved business trips are reimbursable. Traffic fines and parking violations are not reimbursable.

When using a personal vehicle, the cost of parking at the conference hotel should be considered. Parking costs will be aggregated with mileage and limited by the cost of applicable coach air travel costs.

## **Taxis/Public Transportation**

Business related local transportation costs are reimbursable (ex. Taxi, bus, local rail service) including costs to and from the airport. Receipts are required for all expenditures with the business purpose of transportation noted.

**Lodging**

Lodging will be arranged by the Executive Vice President up to the maximum number of reimbursable days determined based on the length of the meeting. While reservations are made by the Executive Vice President, the member will be expected to pay the room and tax upon check-out. If the member wishes to have the room pre-paid, the member should notify the Executive Vice President in sufficient time to make arrangements with the hotel. Should the member choose to stay extra nights in addition to the dates set for the meeting, the member is responsible for payment of the nights that are considered the personal portion of the trip and will not be included in any prepayment of lodging.

Should a member find it necessary to cancel hotel reservations, the Executive Vice President must be contacted during business hours (or the hotel if after hours) so that GAAR does not incur "no show" charges.

Hotel receipts which include line item expenditures and proof of payment must be submitted with expense reports.

**Meals and Incidentals**

GAAR reimburses traveling members for the reasonable cost of food, refreshments and incidentals (ex. Laundry and valet services, toiletries, snacks/mini-bar items) subject to a daily limit of \$100. Costs of meals vary dependent on the geographic area and the member is expected to use prudence. Tips for meals will be included in the total cost of a meal.

The member must track and report actual expenses incurred in order to be reimbursed. Receipts are required for all expenditures. If dining with a group, members should request separate checks.

**Guest Entertainment (Food/Beverage)**

Since GAAR has budget limitations, only the President may be reimbursed for guest entertainment expenses if the entertainment is in the advancement of GAAR's business goals and concerns and is subject to the \$100 per person per day limit. In accordance with IRS requirements, the expense report MUST include the names of the guests and the business purpose.

GAAR leadership may choose to have a community dinner on one night of the conference. If arrangements are made for such a dinner, the Executive Vice President or the President will pay for the bill for all approved members. Any members who bring guests will be expected to request a separate check and pay for their guest(s). If other guests are invited by the President or Executive Vice President, the names of the guests and the business purpose must be stated on the receipt.

**Tips**

Reasonable tips for regular business meetings are reimbursable.

Note that tips for cab fares and meals are reported as a part of those items and are not reported separately.

**Telephone/Fax/Internet**

All business calls are reimbursable except air-to-ground (air phone) calls. Where possible, members should use his/her cellular phone to make personal phone calls while travelling on GAAR business so as to not incur additional surcharges of the hotel. Internet charges and fax costs related to the business purpose of the trip will be reimbursed.

**Non-Reimbursable Expenses**

The following expenses are considered non-reimbursable for members traveling on behalf of GAAR.

- Cost of premium airline/rail seating (ex. –first class, business class, economy plus, etc.) – however, note that fees for seat assignments within coach or economy classes are reimbursable.
- Convenience charges such as fees for extra leg room, priority check-in and express security clearance fees, etc.
- Business use of frequent flyer miles and other discount instruments
- Fees for additional earning of miles
- Gas for personal vehicles (already covered by IRS mileage reimbursement rate)
- Traffic fines or parking violations
- Personal entertainment (ex. – in-room movies, airline headphones, books, magazines, costs of museums, shows, tours, or transportation related to personal entertainment, etc)
- Barber or beautician Services
- Clothing
- Air-to-ground (air phone) charges

Airfare, transportation, and meals and incidentals (limited to \$100 per day) will be reimbursed for a guest traveling with the President up to \$1,500 annually. A Form 1099 will be issued to the President in an amount equal to the costs incurred.

Anyone accepting travel funding is obligated to attend and represent GAAR at approved meetings

## **Section 3.2: Travel Policy for NAR Directors**

GAAR member(s) serving as a NAR National Director shall receive reimbursement for attendance at the following meetings, unless funding is received from another funding source:

National Association of REALTORS® (NAR) Annual Convention  
National Association of REALTORS® Mid-Year Meeting & Legislative Conference  
REALTORS® Association of New Mexico Legislative & Leadership Conference  
REALTORS® Association of New Mexico Annual Meeting  
Rocky Mountain Regional Meeting

To receive reimbursement, the NAR Director(s) must provide a written report of the Directors' Meeting within 30 days of the meeting.

The reimbursement policy set forth in Section 3.1: Travel Policy for Members shall apply to travel of the NAR Director(s).

## **Section 3.3: Travel Policy for RANM Directors**

GAAR members serving on the RANM Board of Directors shall receive a \$150 stipend for each RANM Directors' meeting attended outside of the Albuquerque metropolitan area. If the RANM Directors' meeting is over 100 miles from Albuquerque, GAAR members serving on the RANM Board of Director will receive a \$250 stipend. RANM Directors who receive funding from another source for the meeting shall not be entitled to reimbursement by GAAR. RANM's official attendance records will be used as basis for funding eligibility.

# Chapter 4: Financial

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## **Section 4.1: Contracts**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Only the President and/or the Executive Vice President (EVP) are authorized to enter into any contracts on behalf of GAAR.

At the discretion of the President and/or EVP, Board counsel shall review contracts as needed.

Any contract in excess of \$10,000 (except those approved in the budgeting process such as audit and insurance expenses) shall be presented to the BOD for approval prior to execution.

## **Section 4.2: Professional Services for Legal and Audit**

**Date of Adoption/Modification/Readoption: April 17, 2013**

The Board shall retain a law firm annually to serve as legal counsel.

Only the President, EVP, and designated staff shall be authorized to contact legal counsel. All other individuals and committees desiring the usage of legal counsel shall submit a request to the EVP, and permission will be determined on the merit of each request.

The Board shall retain a firm/individual annually to perform an annual audit.

## **Section 4.3: Banking**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Accounts will be maintained at insured financial institutions as directed annually by the Executive Committee or BOD.

All checks up to \$3000 will require only one signature. All checks \$3000 and greater require two original signatures. Signatories shall include the current President, President-elect, Vice President, Treasurer, and Immediate Past President. All monthly financial statements will be provided to the Executive Committee for review.

The Board will maintain a non-interest-bearing trust account for use when necessary (professional standards, etc.)

## **Section 4.4: Financial Statement Preparation**

**Date of Adoption/Modification/Readoption: June 2009**

The Board shall follow generally accepted accounting principles.



**{This section is deleted since the investment policy covers this information}**

**{This section is moved to Section 1.5}**

## **Section 4.5: Dues and Fees**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Due and related membership fees are established by the Board of Directors. The Board also approves the voluntary REALTOR® Political Action Committee (RPAC) contribution amount that appears on the annual dues statement.

### **Annual Dues**

Annual dues for all members must be paid by December 31 for the following year.

### **New Member and New Office Fees**

Fees relating to members or offices joining the Association are due and payable upon joining. Membership activation will be delayed until paid.

### **Reinstatement Fees**

Fees relating to reinstating members who have been terminated are due prior to reactivation of membership.

### **Education and Event Fees**

Fees relating to education and event offerings are due prior to attending the class or event.

### **Administrative and No Show Fees**

No show fees may be assessed for failure to cancel attendance twenty-four (24) hours in advance of an orientation class. No show fees must be paid prior to approval by the Board of Directors of membership.

### **Room Rental Fees**

Room rental fees must be paid in advance of the use of the facility.

## **Section 4.6: Billing and Collection Policy**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Billing and Collection Policy for Annual Dues:

References to the terms Designated REALTOR® and REALTOR® include both real estate brokers and appraisers.

- A. Dues invoices will be sent in October and are due by December 31.

- B. Accounts not paid by December 31 will be assessed a late fee of \$50 on January 10.
- C. Accounts not paid in full, including late fees, and posted to account by January 20 will be suspended. Designated REALTOR® and REALTOR® will be notified. Any Designated REALTOR® who is suspended will cause suspension of service to the entire office.
- D. Accounts not paid by January 30 will be terminated. Any Designated REALTOR® who has outstanding dues as of January 30 will be terminated including his/her entire offices. Any Designated REALTOR® who has been terminated will be subject to reinstatement fees, which must be paid prior to reinstatement. Any REALTOR® member who has outstanding dues as of January 30 will be terminated and the Designated REALTOR® advised. Any REALTOR® member who has been terminated will be subject to reinstatement fees to reactivate membership.

If any date above falls on a weekend, the action may be taken on the next business day.

The dues obligation of Designated REALTORS® will be adjusted to include amounts for all licensed real estate brokers or appraisers affiliated with their firm who have not paid their dues by January 30. Adjusted dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days after notification. Any Designated REALTOR® who does not meet this obligation will be terminated, along with the membership of all real estate brokers and appraisers affiliated with the brokerage or appraisal office.

If a Designated REALTOR® and/or REALTOR® have chosen not to renew, notification prior to December 31 will prevent the assessment of a late fee. If the late fee has been assessed, it will remain due and payable for any reinstatements.

Billing and Collection Policy for Charges by Designated REALTORS®, Fees and Awards  
Associated with Professional Standards, Assessments, Fines, and any Other Financial Obligations:

- A. All invoices are due and payable upon receipt.
- B. A statement will be sent at month end summarizing invoices issued during the month and still unpaid.
- C. Accounts not paid by the 10<sup>th</sup> day of the following month will be assessed a late fee of 5%. The Designated REALTOR® and REALTOR® will be notified of the delinquency.
- D. Accounts not paid by the 20<sup>th</sup> day of the following month will be suspended from membership. The Designated REALTOR® and REALTOR® will be notified.
- E. Accounts not paid by the 30<sup>th</sup> day of the following month will be terminated from membership. The Designated REALTOR® and REALTOR® will be notified. Any REALTOR® member who has been terminated will be subject to reinstatement fees to reactivate membership.

**Type of Payment Accepted:**

All payments must be made by Money Order, Cashier's Check, Personal Check, Company Check or Credit Card. No cash payments will be accepted.

**Checks Returned by the Bank:**

The fee to be charged for a returned check (non-sufficient funds, account closed, etc.) shall be \$35.00. After a member has presented one returned check, payment shall be by credit card or certified funds. The second and subsequent returned check will result in immediate suspension of services without notice. If the REALTOR® or other member does not pay this fee in a timely manner, the charge may be billed to the Designated REALTOR® or the Affiliate Company. If the account is terminated for non-payment, the Designated REALTOR® and REALTOR® will be subject to all reinstatement fees.

**Section 4.7: Refunds**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Dues are non-refundable except if requested by transferring REALTOR®; local dues may be refunded on a pro-rated basis only if the REALTOR® is transferring his/her membership to another Board or Association.

**Section 4.8: Usage of Credit Cards**

**Date of Adoption/Modification/Readoption: April 17, 2013**

GAAR credit cards may be issued to the President, President-elect, NAR Director, and EVP and other Staff as determined by the EVP. Credit cards will be used only for budgeted travel and approved expenditures (such as business meals and office purchases). All credit card holders must prepare an expense report to be submitted with receipts each month. No personal charges may be made to Association credit cards.

**Section 4.9: Capital Purchases**

**Date of Adoption/Modification/Readoption: April 17, 2013**

The BOD will annually review and approve a capital expenditures budget. The President and/or EVP are authorized to make such capital expenditures not budgeted as required, not to exceed \$10,000 per budget year. A list of any such expenditures shall be provided to the Directors at their next meeting.

**Section 4.10: Contributions**

**Date of Adoption/Modification/Readoption: April 17, 2013**

The Executive Committee shall make recommendations for donations within budgeted amounts. Any requests for donations beyond budgeted amounts must be approved by the BOD.

# Chapter 5: Membership

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## **Section 5.1: Categories, Qualifications, Responsibilities**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Comprehensive information about membership categories, qualifications, privileges and obligations is provided in the *Bylaws of the Greater Albuquerque Association of REALTORS®*. Additionally, GAAR regularly accesses and utilizes data maintained by the New Mexico Real Estate Commission (NMREC) to audit and verify that potential and existing members are appropriately licensed, and to validate office information and licensee affiliations.

## **Section 5.2: Application Process**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Applications are developed for different categories of membership and define the basic membership requirements and duties. An application must also be completed to establish a new REALTOR® office. Applicant signatures affirm their agreement to comply with membership duties and obligations. The application process is considered complete when payment is received and processed. New REALTOR® members will be considered “provisional members” until they attend and complete the New Member Orientation program and are approved by the GAAR Board of Directors.

## **Section 5.3: Service Access for REALTOR® Members**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Within 48 hours of completing the application process, new or reinstating applicants, who are appropriately affiliated with an existing REALTOR® office and whose license and office affiliation have been verified with the NM Real Estate Commission will be given access to member services.

## **Section 5.4: Service Access for New REALTOR® Offices**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Current REALTORS®, who open their own brokerages and become the Designated REALTOR® of their firm, will be provided access to services under the new firm within 48 hours after application and payment of all fees, presuming all critical information aligns with NM Real Estate Commission records.

Licensees who are not currently REALTORS®, who make application for membership as the Designated REALTOR® of a new firm, will be given access to member services within ten days of

application and payment of all fees, presuming license and office information has been verified with the NM Real Estate Commission.

## **Section 5.5: Voluntary PAC Contribution**

**Date of Adoption/Modification/Readoption: April 17, 2013**

A core value of REALTOR® membership is having the ability to influence the direction of the industry. The REALTOR® Political Action Committee (RPAC) serves as a source of funds that enable the Association to support pro-REALTOR® and industry candidates and issues. All members are encouraged to make a voluntary contribution to RPAC to support and ensure the effectiveness of this vital benefit of membership. Contributions can be made at any time throughout the year. However, an annual campaign for contributions occurs during the annual dues billing. The requested voluntary contribution, approved by the Board of Directors, appears on the annual invoice. Included with the annual billing is an explanation of line items and of allowable tax deductions.

**{This section deleted and moved to Section 4.9}**

## **Section 5.6: Charge Policy**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Charge privileges will be granted to Designated REALTOR®'s only in person or with their written authorization.

Charge privileges may be denied based on prior payment history.

**{This section has been deleted. The Association no longer provides this information}**

## **Section 5.7: Changes to Member Records**

**Date of Adoption/Modification/Readoption: April 17, 2013**

All changes made to office information and member affiliations must be authorized in writing by the Designated REALTOR® or person identified as the responsible party. Changes will be made as soon as practical after verifying that the changed information aligns with NM Real Estate Commission records.

## **Section 5.8: Orientation Requirement**

**Date of Adoption/Modification/Readoption: April 17, 2013**

New Members must attend and complete the New Member Orientation within 60 days of application (or within the first two available dates after application submittal, whichever is

greater) or access to member services will be denied until the new member meets the requirement and is approved by the GAAR Board of Directors. If the Designated REALTOR® does not meet the New Member Orientation requirement, all services to the brokerage and all REALTOR® members affiliated with the office will be discontinued.

## **Section 5.9: Orientation Cancellation and Reschedule Policy**

**Date of Adoption/Modification/Readoption: April 17, 2013**

Members who want to cancel their attendance at an Orientation for which they are registered, must notify GAAR 24 hours in advance of the scheduled class to avoid being assessed a fee. If the member notifies GAAR of the cancellation less than 24 hours prior to the beginning of the class, the member will be assessed an "Administrative Reschedule Fee" of \$10, which will be due upon receipt. If the member does not notify GAAR prior to the beginning of the class that they are unable to attend, and they are absent, the member will be assessed a "No Show Fee" of \$50, which will be due upon receipt. These fee amounts should be paid immediately to avoid interruptions to service and benefits.

If an attendee arrives more than ten minutes after the class begins, they will be rescheduled for the next available class, if possible. However, this does not release the attendee from completing the Orientation requirement within 60 days of application (or within the first two available orientation dates after application submittal, whichever is greater). To retain full service and benefits, the member must contact the Membership staff to understand options and reschedule their attendance.

# Chapter 6: Lock Boxes

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## **Section 6.1: Authority to Contract for Lock Box Services**

**Date of Adoption: October 28, 2015**

The GAAR Board of Directors may, at their discretion, provide a lock box system for use in facilitating the listing and showing of property by its members. In partnership with Southwest Multiple Listing Service (SWMLS), all lock boxes used in conjunction with listing a property must be assigned by a serial number to the listing in the MLS input.

The GAAR Board of Directors may, at their discretion, contract with a lock box provider. GAAR must determine that the lock box provider meets the requirements of the National Association of REALTORS® regarding the lock box program security requirements.

## **Section 6.2: Lock Box Authorized Users**

**Date of Adoption: October 28, 2015**

Every REALTOR®, and every non-principal broker sales persons and licensed or certified appraisers shall be eligible for electronic lock box access subject to signing an agreement as prescribed by GAAR and subject to the policies governing lock boxes

Affiliate Members who are in the home inspection, warranty, photography/videography or other types of inspectors shall be eligible to contract for electronic lock box access. Affiliate members of GAAR who contract for electronic lock box access will only have the "Call Before Showing" (CBS) access. These Affiliate Members must meet the following conditions:

- A. The Owner/Manager holds GAAR Primary Affiliate Membership.
- B. Each individual in the Affiliate Company who contracts for electronic lock box access must be listed with GAAR as an associate of the affiliate company.
- C. The Affiliate Company must provide evidence initially and annually of holding at least \$500,000 in liability insurance naming GAAR as additional insured and provide for a thirty day notice to GAAR before cancellation or expiration.

Unlicensed assistants shall be eligible to contract for electronic lock box access that will only access the lock boxes of their REALTOR® Principal.

No one shall be required to use a lock box or electronic lock box access. Any authorized user may resign from the electronic lock box access program provided that all leased equipment is returned and all financial obligations are brought current.

GAAR may refuse to provide electronic lock box access, may terminate existing electronic lock box access agreements, and may refuse to activate or reactivate any electronic lock box access held by an individual convicted of a felony or misdemeanor, if the crime, in the determination of GAAR, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

GAAR may suspend the right of authorized users following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of GAAR, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk. Factors that can be considered in making such determinations include, but are not limited to:

- D. The nature and seriousness of the crime
- E. The relationship of the crime to the purposes for limiting lock box access
- F. The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- G. The extent and nature of past criminal activity
- H. Time since criminal activity was engaged in
- I. Evidence of rehabilitation while incarcerated or following release, and
- J. Evidence of present fitness

## **Section 6.3: Lock Box Operations Rules**

**Date of Adoption: June 22, 2016**

The electronic lock box access assigned to an individual may not be used under any circumstances by anyone other than the authorized user. The GAAR Board of Directors may impose a fine of up to \$1,000 per incident for any violation of these policies or otherwise treat it as a membership violation pursuant to Article V, Section 2, Qualifications of the GAAR Bylaws.

Lock boxes may not be placed on a property without written authority from the seller.

If an authorized user does not have access to Southwest Multiple Listing Service, he must contact the listing agent prior to entering the property.

Each authorized user is eligible for only one form of electronic lock box access.

As between GAAR and the authorized users, title to the lock boxes will be held by GAAR and leased to authorized users as set forth in these policies and the Supra Keyholder Agreement. The lock boxes provided by GAAR and by subsequent addition to inventory, will be considered "leased" boxes. The inventory of these leased boxes will be controlled by GAAR.



Lock boxes received from GAAR, whether in an event to implement new technology (lock boxes) or otherwise, are leased boxes and are the property of GAAR and cannot be transferred between authorized users. These lock boxes should be returned to GAAR if not being used. If lock boxes are returned to GAAR, they can be reassigned by GAAR.

Only lock boxes provided by GAAR will be programmed to work in the GAAR lock box system. Lock boxes in the GAAR lock box system will not be deprogrammed to work in other lock box systems.

Every authorized user who is a listing broker is eligible for one or more lock boxes provided by GAAR and an extra number of lock boxes constituting 30% of listings determined by GAAR annually. Boxes in excess of listings plus 30% must be returned to GAAR during the annual True-Up period. If the broker's listings exceed the amount determined annually, the broker may come to GAAR and take possession of additional boxes to cover the listings plus 30%. All lock boxes are provided at no charge.

In partnership with SWMLS, every listing must be assigned a lock box by serial number unless the seller has provided written authority to opt out of the lock box program.

Any lockboxes issued from GAAR must be assigned to a listing within 14 (fourteen) days. Those lockboxes that are in excess of the authorized user listings plus 30% that are not assigned to a listing within the specified timeframe, and are not returned to GAAR, shall be subject to a \$100 fee per box. If lock boxes are returned, the invoice will be reversed. If lock boxes are not paid for or returned, the authorized user shall be subject to suspension in accordance with GAAR's collection policy.

If excess lock boxes are not returned, each authorized user agrees to compensate GAAR in the amount of \$100 per box subject to the collection policies of GAAR. If lock boxes are returned, the invoice will be reversed. If lock boxes are not paid or returned, the authorized user may be subject to suspension in accordance with GAAR's collection policy.

Upon termination of membership from GAAR, an authorized user must return all lock boxes. Any refund of remaining SWMLS fees shall not be issued to the authorized user until all lock boxes assigned to the authorized user are returned to GAAR.

GAAR will assess a fee of \$100 for every lost, destroyed and unreturned lock box. Collection of these amounts will follow the GAAR collection policy and non-payment can result in suspension of membership.

Stolen lock boxes will not be subject to the \$100 fee so long as a police report is submitted to GAAR within 30 days of a lock box being reported as stolen. If a police report is not submitted to GAAR within the specified timeframe, the authorized user agrees to compensate GAAR in the amount of \$100 per stolen lock box. All fees are subject to the collection policies of GAAR. If

stolen lock boxes are not paid for, the authorized user shall be subject to suspension in accordance with GAAR's collection policy.

Every authorized user who is a listing broker is eligible to participate in the True-Up Opt-Out plan. Excess lock boxes that are required to be returned to GAAR during the True-Up period can be kept by the authorized user by paying an Opt-Out fee of \$100 per lock box.

The \$100 Opt-Out fee is the prepayment of the full lease price of each lock box. While these lock boxes will not be subject to future True-Up events, they must be returned to GAAR when the Association's contract with Supra expires or upon the authorized user's termination from their membership with GAAR (whichever comes first).

All Opt-Out fees issued are subject to the collection policies of GAAR. If lock boxes are not paid for, the authorized user shall be subject to suspension in accordance with GAAR's collection policy.

# Chapter 7: Education

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## **Section 7.1: Program Guidelines**

**Date of Modification: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) sponsors a variety of programs that support the professional development of members. The types of programs offered will be guided by the needs of the members. Not all education programs will offer continuing education (CE) credits.

Courses offering CE, which are sponsored by GAAR, will be administered in accordance with the New Mexico Real Estate Commission (NMREC) Rules and Regulations. To ensure compliance with attendance requirements defined by the NMREC, registrants are responsible for arriving by the start time of the class, returning from lunch at the time communicated by the instructor, and conforming to other break periods as defined by the instructor. Instructors determine time and duration of class breaks to ensure that the length of the class meets all NMREC requirements.

CE credits will not be provided to any person who does not meet the attendance requirements of the NMREC.

GAAR reserves the right to confirm the identity of a participant prior to granting CE credits.

GAAR strives to maintain an environment that supports learning and reserves the right to remove anyone from the program who is demonstrating disruptive behavior that distracts the instructor and/or attendees and negatively impacts the effectiveness of the program.

## **Section 7.2: Registration, Cancellation, and Refunds**

**Date of Modification: August 2011**

Attendees of CE programs sponsored by GAAR are asked to complete a registration process. This process is not complete until payment, if applicable, is received. Records of program completion or continuing education will be distributed only after payment has been processed.

GAAR reserves the right to cancel any program/class. When cancellation is due to inclement weather or other unforeseen circumstances that can be corrected with time, repairs, etc., every attempt will be made to reschedule the program as quickly as possible.

Under most circumstances, refunds of fees, which are collected and processed by GAAR for GAAR sponsored education programs, will be granted, or tuition credits issued as follows:

1. Registrants will receive a full refund if GAAR cancels a class that is not rescheduled.

2. If unable to attend a program/class, a registrant must notify GAAR in writing (email is acceptable) to receive consideration for any fee adjustment.
3. If GAAR receives written notification at least 48 hours (2 business days) prior to the date of the class that a registrant will not be attending, the registrant will receive a full refund.
4. If GAAR receives written notification at least 24 hours prior to the beginning of the class that a registrant will not be attending, the registrant may request, in writing, a tuition credit.
5. Failure to notify GAAR in writing, at least 24 hours prior to the beginning of the class that a registrant will not be attending will result in GAAR retaining the full registration fee.

Modifications to the above refund/tuition credit guidelines can be made to accommodate unique circumstances of an event or class (i.e. speaker imposes a significant cancellation penalty; payments are not collected by GAAR, etc.) Modifications to the normal policy will be communicated at the time the event is promoted.

A tuition credit can only be used toward another GAAR sponsored education program for which GAAR collects and processes payment. The member/registrant is responsible for using the tuition credits within the same calendar year as issued. Unused credits will not be refunded.

Refunds/tuition credits will not be granted to attendees who do not meet the attendance requirements of the program or who are asked to exit the program due to disruptive behavior.

## **Section 7.3: Audience and Fees**

**Date of Modification: August 2011**

GAAR sponsored continuing education courses shall be offered to all real estate licensees.

Program Fees: Program fees will be assessed based upon a variety of factors such as length of program, instructor compensation and/or agreement, student material costs, royalty fee requirements (i.e. REBAC programs), etc.

Course fees for licensees who are not REALTOR® members may be higher than those fees for REALTOR® members.

Instructor Fees: The terms of each compensation model used by GAAR will be periodically reviewed by the Professional Development Advisory Group to ensure continued viability. GAAR staff will negotiate compensation with each instructor as appropriate and approved by the Executive Vice President.

CE Certificate Reprints: At the completion of each GAAR sponsored class, GAAR transmits CE records (for eligible participants who met all requirements) electronically, as specified by the NMREC, and/or issues a CE certificate directly to the attendee.

It is the responsibility of the class participants to monitor the accuracy of their CE records and to retain their CE certificates (if applicable) in a safe location. Upon special request, GAAR will reprint CE certificates for a \$5.00 administrative fee. Reprinted certificates will be available within 48 hours (two business days) after the request has been received and acknowledged.

## **Section 7.4: Professional Development Advisory Group**

**Date of Modification: August 2011**

The Professional Development Advisory Group identifies, recommends, and/or provides tools, processes, and programs that support the professional development of members; and ensures the completeness and currency of any policies that address education, use of the GAAR facilities, and others as requested.

The Chair and Vice Chair of the Advisory Group will be the GAAR President-Elect and Vice President respectively, and the group will have a minimum of six members who represent the GAAR constituency as closely as possible.

To prevent any appearance of conflict of interest, individuals who could be candidates to receive compensation for their services from GAAR or the Southwest Multiple Listing Service may not be members of the Professional Development Advisory Group.

## **Section 7.5: Program Selection**

**Date of Modification: August 2011**

With the advice of the Executive Committee, Association staff will select programs and providers using a variety of methods to identify member needs. Examples of methods or sources of information used to identify needs could include (but are not limited to): input from the Professional Development Advisory Group and/or other committees or groups partnered with the Association; analysis of behavior/practice trends identified through the Professional Standards and Ombudsman Programs, as well as the New Mexico Real Estate Commission; input from Legal Counsel; changes in regulatory requirements; industry drivers and trends; focus groups and member surveys; instructor evaluations.

# Chapter 8: Government Affairs

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## Section 8.1: Government Affairs

**Date of Modification: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) will strive to maintain a proactive and non-partisan approach to issues that protect and enhance the industry as well as others contained in the **GAAR Quality of Life Statement (refer to Section 8.2)**. The **Quality of Life Statement** provides a framework for member involvement, focus, and position on issues of public policy.

GAAR will work closely with the REALTORS® Association of New Mexico (RANM) and the National Association of Realtors (NAR) on industry and **Quality of Life Statement** related issues on the state and national levels.

GAAR represents members in Bernalillo, Valencia, Tarrant, and Sandoval counties on industry and **Quality of Life Statement** related issues at the municipal and county levels.

## Section 8.2: GAAR Quality of Life Statement – A Framework for Action

**Date of Adoption: August 2011**

### PROTECTING PRIVATE PROPERTY RIGHTS

REALTORS® believe that private property rights are the fundamental tenet upon which our nation was founded and are guaranteed by both the New Mexico State Constitution and the United States Constitution. REALTORS® strongly support the right of each individual to own, use, and transfer real property. REALTORS® firmly maintain that the best decisions are made by property owners in collaboration with political bodies closest to the voters.

*To that end, REALTORS® support and encourage consumer protection programs that are consistent with maintaining and enhancing private property rights as well as education programs designed to inform the public of the existence and benefits of such programs. REALTORS® also recognize water as one of the cornerstones of private property rights and support a common-sense approach to the government's control of ownership rights and usage of this valuable resource.*

## **SUPPORTING A VITAL AND VIBRANT ECONOMY**

REALTORS® believe that vigorous and fair competition is essential to the maintenance of the free enterprise system, and the best way of encouraging economic development. A broad tax base is crucial to the government's ability to provide and update infrastructure and deliver necessary services to communities and citizens across New Mexico.

REALTORS® believe that a well-educated citizenry is an essential component of New Mexico's economic well-being and support programs and legislation to improve the educational system that are prudent, accountably administered and strategically focused on demonstrable results to maximize each dollar invested.

*To that end, REALTORS® support strong economic development in both cities and rural areas to increase the quality of life for New Mexicans by assuring strong job creation, a sustainable economy, a myriad of opportunities, increased purchasing power, a broadened tax base, and the vitality of a community with a diversity of views and experience.*

*REALTORS® support legislation that promotes a healthy business climate which encourages business to locate and thrive in the state; that makes it easier to operate small businesses; spurs business growth; promotes regulatory reform that would avoid duplicative regulation; streamlines permitting processes and procedures; provides user friendly government assistance for small business; and promotes the ability of the business community to offer health care benefits that are affordable and meet the needs of their employees.*

## **ASSURING HOUSING OPPORTUNITIES – THE AMERICAN DREAM**

REALTORS® believe that home ownership is indeed the American dream and that it fosters responsibility and stability in communities, grows positive civic values, and increases individuals' financial security.

*To that end, REALTORS® support efforts to afford all residents of the State of New Mexico the opportunity to live in safe, affordable, and sanitary housing and favor legislative measures aimed at increasing the availability and affordability of housing. REALTORS® support Fair Housing.*

## **PRESERVING THE LAND OF ENCHANTMENT**

REALTORS® recognize the superb landscape and natural amenities in which New Mexicans are privileged to live and are firmly committed to protecting that quality of life. REALTORS® recognize the value of open space, parks, and recreational opportunities for all residents and visitors, and the value which these items bring to surrounding properties and the economy of the state. REALTORS® recognize that property development, management and preservation of natural resources are vital in order to protect our existing and future housing stock, as long as the economic factors are also taken into consideration.

*To that end, REALTORS® support policies, regulations, and statutes that serve to protect the Land of Enchantment through the marketplace, and with incentives, in each instance with fair and just compensation. REALTORS® urge continued action in the protection of the quality of our air, water, and land.*

## **SUPPORTING QUALITY NEIGHBORHOODS AND COMMUNITIES**

REALTORS® strongly believe that communities flourish when they offer a high quality of life at a reasonable cost and when they are located in proximity to areas where people work, play, and shop. Strong communities offer a diversity in housing choices, employment opportunities, a high-standard of public schooling, open space, access to public transportation, and community infrastructure.

*To that end, REALTORS® believe that Government must encourage the construction of needed capital infrastructure, such as community water systems, community waste systems, upgraded roads and highways, and schools. Further, REALTORS® recognize the need to partner with government in long-term planning to accommodate smart growth in residential, commercial, and industrial areas.*



# Chapter 9: Retail Function

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## **Section 9.1: Retail Products & Customers**

**Date of Adoption: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) may provide items, as needed or requested, that may be sold to customers.

Available products that are real estate related, but not REALTOR® specific (i.e. books, signs, etc.) may be sold to anyone.

Available products that are REALTOR® specific, (i.e. items that display the registered REALTOR® trademark/logo, etc.) may be sold only to REALTOR® members.

Selected products (i.e. lockboxes and related merchandise) will be available for sale only to GAAR/Southwest Multiple Listing Service members who meet the eligibility requirements.

GAAR will comply with all laws governing applicable taxes.

## **Section 9.2: Return Policy**

**Date of Modification: August 2011**

Returns of merchandise will be accepted for full credit only if accompanied by a receipt and returned within 30 days of purchase, with package unopened and product unused.

Refunds will be issued, via check, within approximately two weeks of return for purchases made with check or cash (in excess of \$25.00).

The credit card account used to purchase items will be refunded for returned credit card purchases.

# Chapter 10: Facility Use & Rental

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## **Section 10.1: Guidelines for Use of GAAR Facility & Surrounding Property**

**Date of Adoption: August 2011**

The primary purpose of the Greater Albuquerque Association of REALTORS® (GAAR) facility is to provide a central location for conducting GAAR and Southwest Multiple Listing Service (SWMLS) business and providing benefits, services, and programs to members.

Selected areas of the GAAR facility, which include small conference room(s) and computer or telephone work stations, are available for members to use on a non-regular basis for business related tasks, free of charge, when not in use for GAAR sponsored or sanctioned functions. Members may be required to reserve the space for their use at specific times.

The facility may be used by groups or organizations within the REALTOR® family, as well as other organizations from business and industry, provided the following guidelines are met.

- A. Facility may be used for business related programs and functions only. Non-business related functions such as religious services, private parties, etc. are prohibited.
- B. Facility may not be used for political activities, unless directly related to/sponsored by the REALTOR® organizations.
- C. Facility may not be used to promote programs counter to the interests of the Real Estate Industry, or in competition with programs sponsored by GAAR or SWMLS.
- D. Facility may not be used to advertise or sell products and services to members unless directly related to an approved program being held at the facility.
- E. Facility may be used for REALTOR® member continuing education or professional development programs if programs are sponsored or co-sponsored by GAAR; if programs are sponsored by an official NAR Affiliate such as CRS; or if programs are offered primarily to brokers of the sponsoring REALTOR® member company. Depending on the use and user category (refer to Section 10.2), facility rental fees may apply.
- F. Facility may be used only for the purpose stated in the agreement between GAAR and the user.

GAAR reserves the right to limit/restrict use of the facility to any requester.

User must comply with all applicable laws and regulations and all requests of GAAR with regard to the use of the space. Additionally, users who rent the GAAR facility will be required to sign a Use Agreement, which further details the terms and expectations of the rental agreements.

## **Section 10.2: Guidelines for Determining Rental Fees**

**Date of Adoption: August 2011**

On a periodic basis, the facility rental fees will be reviewed to ensure alignment with the local area market. Discounts available to different categories of users will be reviewed by the Professional Development Advisory Group and approved by the GAAR Board of Directors. User categories, allowances, and discounts follow.

### User Category 1: State and Local REALTOR® Associations and NAR Affiliates

State and Local REALTOR® Associations and local chapters of NAR Affiliates (i.e. CRS, etc.) may use conference rooms for non-revenue producing meetings at no charge, if the rooms are not needed for GAAR and SWMLS programs or business. A small use fee may be assessed to cover equipment used, cost of coffee service, etc.

Any room used for a revenue producing event and/or any classroom may be rented at a 50% discounted rate. Room rental fees can be bundled with other GAAR provided services when negotiating a revenue share agreement between GAAR and the user.

### User Category 2: Non NAR Affiliated Real Estate Associations, Government and Nonprofits

Organizations in this category may rent facility space at a 25% discounted rate. Room rental fees can be bundled with other GAAR provided services when negotiating a revenue share agreement between GAAR and the user.

### User Category 3: Public, For-Profit Organizations

Organizations in this category will pay full rates to use any space at the REALTOR® Building.

## **Section 10.3: Facility Oversight**

**Date of Adoption: August 2011**

A designated member of the GAAR staff must be present and available when any portion of the facility or parking lot is being used for a GAAR sponsored or sanctioned event.

# Chapter 11: Member Benefits

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## **Section 11.1: Selection of Benefits**

**Date of Adoption: August 2011**

The Greater Albuquerque Association of REALTORS® (GAAR) will attempt to negotiate discounted rates and special opportunities or offers with external businesses that provide a wide variety of products and services, which would be of value or benefit to members in both their private and professional lives. Examples of these types of benefits include insurances of all types, discounts on memberships, office supplies, etc.

Benefits must offer additional value to members beyond the normal promotions offered by the company to the general public.

Benefits will be promoted broadly to all members.

The Executive Vice President must approve all member benefits prior to being promoted to the membership.

## **Section 11.2: Review and Approval**

**Date of Adoption: August 2011**

On a periodic basis, the Executive Vice President will invite selected members and staff to evaluate the continued value of products or services offered to members by non-Association providers.

# Chapter 12: Member Recognition Awards

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## **Section 12.1: Annual Standing Awards**

**Date of Modification: April 18, 2012**

To recognize members for outstanding professional accomplishments and contributions to the industry and community, GAAR has established a set of standing awards that can be presented annually to selected members. The timing and manner of presentation will be at the discretion of the GAAR Executive Committee. The standing awards include: Rookie of the Year, Salesperson of the Year, Sales Manager of the Year, C.O. Nelson Award, and REALTOR® of the Year. Additional permanent awards may be established upon approval of the Board of Directors.

## **Section 12.2: Nominating Candidates for Standing Awards**

**Date of Modification: April 18, 2012**

Criteria for each of the standing awards will be reviewed periodically, with significant changes to criteria being approved by the GAAR Executive Committee. All active REALTOR® members of GAAR will be invited to nominate candidates for each award.

## **Section 12.3: Selecting Recipients for Standing Awards**

**Date of Adoption: April 18, 2012**

The selection committee for each award will consist of previous winners of the award. The award recipient from two years prior to the current year will serve as chairperson of the selection committee. The committee is not obligated to present an award if nominations are not submitted or award criteria are not met.

Only the award for Rookie of the Year can have up to two recipients for the year. All other annual awards can have only one recipient named.

## **Section 12.4: Additional Ad Hoc Recognition Awards**

**Date of Adoption: April 18, 2012**

The President of the Association may recommend that a member receive a Special Recognition award for making a unique and impactful contribution to advancing one or more goals of the Association in that year. The President may also recommend that a member be honored for the longer term impact made during his/her career to the profession, industry, and/or community. In this case, the contribution of the individual has been so significant that a Distinguished Service award is justified. Recipients for these types of ad hoc awards, Special Recognition and Distinguished Service, are recommended by the President and approved by the Board of Directors.

## **Section 12.5: Annual Real Estate Pre-license Scholarship**

**Date of Adoption: April 18, 2012**

GAAR will partner with the business community to establish and administer the annual real estate pre-license scholarship(s). GAAR, working in conjunction with the company that funds all or part of the scholarship(s), will determine the eligibility requirements, review the submitted applications, and select the recipient of the scholarship(s).

# Chapter 13: Professional Standards

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**Date of Modification: March 21, 2012**

## **Section 13.1: Code of Ethics Enforcement & Dispute Resolution System**

The Greater Albuquerque Association of REALTORS® hereby adopts the *Code of Ethics and Arbitration Manual* (CEAM) of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time-to-time, for the enforcement of the Code of Ethics, for addressing disciplinary matters, and for the mediation and/or arbitration of disputes.

In all references in the CEAM to local Board or Association of REALTORS®, Greater Albuquerque Association of REALTORS® will be inserted. In all references to State Association of REALTORS®, REALTORS® Association of New Mexico will be inserted. In all references to State, New Mexico will be inserted.

The Greater Albuquerque Association of REALTORS® adopts the National Association of REALTORS®' Dispute Resolution System as documented on REALTOR.org.

The Association expects all REALTOR® Members to uphold the Code of Ethics and the Constitution, Bylaws, Policy Statements, and Rules and Regulations of the Association, and to comply with all REALTOR® membership duties. Alleged violations of the Code of Ethics or of the Constitution, Bylaws, Policy Statements, and Rules and Regulations of the Association, or noncompliance with any other membership duty, will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®. If a member is found in violation of the Code of Ethics, the bylaws or policy statements, or any other membership duty after a due process hearing, any recommended sanctions and/or disciplinary actions will be reviewed for ratification by the Board of Directors.

In alleged violations of a membership duty in which there is no Complainant, the matter will be reviewed by the GAAR Executive Vice President and the Professional Standards Administrator, and if deemed necessary, will be referred to the Grievance Committee for a determination on whether there is sufficient evidence to warrant a Professional Standards hearing.

## **Section 13.2: Cooperative Enforcement Agreement**

A Cooperative Enforcement Agreement will be established between the Greater Albuquerque Association of REALTORS® and the Santa Fe Association of REALTORS®. Multi-board

professional standards agreements shall be in accordance with the terms of the operative professional standards enforcement agreement as established to address matters that involve more than one Association.

### **Section 13.3: Role of Board of Directors in Professional Standards**

The President of the Greater Albuquerque Association of REALTORS® may appoint the Executive Committee or a Panel of Directors, acting on behalf of the Board of Directors, to hear ethics complaint appeals and ratifications, requests for procedural reviews, and appeals of Grievance Committee decisions. Any appeal Panel so appointed must be composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less. The Association will make all reasonable efforts to impanel an impartial Panel to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable Members of the Association on an ad hoc basis to serve either on a Hearing Panel or on behalf of the Board of Directors.

A member of the Board of Directors may continue to serve on the Grievance, Professional Standards, or Mediation Committees, except as Committee Chairperson, for the balance of his/her appointments to the Committee. He/she may not be re-appointed to one of these Committees while serving as a Director.

Members of the Board of Directors of the Southwest Multiple Listing Service, Inc. may serve concurrently on the Grievance, Professional Standards, or Mediation Committees.

A member of the Board of Directors shall excuse himself/herself from any action before the Board of Directors for which he/she reviewed, heard, or mediated the matter as a Member of the Grievance, Professional Standards, or Mediation Committees.

A Member of the Board of Directors shall excuse himself/herself from any action involving the real estate firm with which he/she is affiliated. He/She must excuse himself/herself from any action in which he/she has a real or perceived conflict of interest, or in cases where he/she cannot be impartial and unbiased.

All members of the Board of Directors shall attend annual Professional Standards training [minimum two (2) hours] developed for Directors to ensure complete understanding of Board's actions in hearing appeals and requests for procedural reviews.

All actions by a Panel of the Board of Directors are confidential and closed sessions.

### **Section 13.4: Committee Membership**

The Grievance Committee shall consist of at least twelve (12) Members of the Greater Albuquerque Association of REALTORS®. A quorum for each Grievance Committee case ruling shall consist of at least five (5) voting Members.



The Professional Standards Committee shall consist of at least twenty-two (22) Members of the Greater Albuquerque Association of REALTORS®.

The Mediation Committee shall consist of at least three (3) Members of the Greater Albuquerque Association of REALTORS®.

Appointments to the Grievance, Professional Standards, and Mediation Committees will be for a three-year term, with each new term commencing on the 1<sup>st</sup> day of January of any given year. Appointments will be made by the President of the Board of Directors and approved by the Board of Directors. Terms may be extended for an additional three years with approval by the Board of Directors. At the beginning of the calendar year, the President of the Board of Directors will select the Chairpersons of the Committees, and the President-Elect of the Board of Directors will select the Vice-Chairpersons of the Committees.

Appointees to the Grievance, Professional Standards, and Mediation Committees must meet the following standards:

- (a) Be a REALTOR® in good standing for the past five (5) years on a consecutive basis with no ethics violations in the three (3) years prior to consideration for Committee Membership;
- (b) Once an appointment is made, any Member of the Committee found in violation of the Code of Ethics will be removed from the Committee for a period of three (3) years from the date the decision becomes final; and
- (c) Any Member of the Committee who no longer maintains active Membership status in the Association will be removed from the Committee.

No Member may serve concurrently on any combination of the Grievance, Professional Standards, and Mediation Committees.

A Member of the Grievance, Professional Standards, or Mediation Committee shall excuse himself/herself from any action involving the real estate firm with which he/she is affiliated. He/She must excuse himself/herself from any action in which he/she has a real or perceived conflict of interest, or in cases where he/she cannot be impartial and unbiased.

All new Members of the Grievance and Professional Standards Committees must attend a Professional Standards training session targeted at their responsibilities on either the Grievance or the Professional Standards Committee [minimum four (4) hours].

All Grievance Committee and Professional Standards Members shall annually attend a training course related to professional standards, such as a class on Code of Ethics, procuring cause, business ethics, professionalism in real estate, mediation, etc. [minimum three (3) hours]. If members do not participate in a class prior to the end of the year, their Committee membership will be terminated.

All Mediation Committee members will complete a minimum of twenty (20) hours of basic mediation training. If the cost of the training is underwritten by the Association, the preferred training provider will be the National Association of REALTORS®. Within twelve months of the start of their appointment or the completion of their basic training, whichever is later, Mediation Committee members must complete an apprenticeship program consisting of participation in two mediation conferences as an observer and in four mediation conferences as an unpaid co-mediator with critiques. If Mediation Committee members fail to complete the apprenticeship program within the twelve-month period, their Committee membership will be terminated. After the apprenticeship program has been completed; each Mediation Committee member must annually provide documentation that they have acted as a mediator in a minimum of four (4) mediation conferences. Mediation conferences can be conducted with any approved mediation program (Courts, Private or REALTOR® Associations). If Mediation Committee members fail to complete four (4) mediation conferences annually, their Committee membership will be terminated.

The required training and participation in the apprenticeship program may be waived or modified by recommendation of the Mediation Committee Chairperson and approved by a majority of the Committee if the volunteer has equivalent and relevant training and experience in previous mediation services.

All Grievance Committee meetings, Professional Standards hearings, and mediation conferences are confidential and closed sessions.

### **Section 13.5: Grievance Committee**

The Grievance Committee, in extremely rare circumstances and only if deemed appropriate, may request the party(ies) named as respondent(s) in the ethics complaint to provide the Grievance Committee with a written response to the ethics complaint prior to the Grievance Committee making a determination on the matter. The respondent(s) will have fifteen (15) days to submit his/her response.

The Grievance Committee, in extremely rare circumstances and only if deemed appropriate, may request the party(ies) named as respondent(s) in the request for arbitration to provide the Grievance Committee with a written response to the request for arbitration prior to the Grievance Committee making a determination on the matter. The respondent(s) will have fifteen (15) days to submit his/her response.

### **Section 13.6: Hearings**

A Hearing Scheduling Conference will be conducted with the parties to an ethics or arbitration matter for the following reasons: (a) to review the hearing process; (b) to answer any procedural questions; and (c) to set a date for the hearing. The Conference is not intended, nor will it be allowed, to be a hearing on the merits of the case. The Scheduling Conference may be conducted in person or by teleconference.

Any party may file with the Association a written request for disqualification of a member of a tribunal (Hearing Panel or Board of Directors), stating the grounds alleged as the basis for disqualification. A party shall be deemed to have waived any grounds of disqualification of which he then has knowledge unless he files the request within ten (10) business days from the date a list of names of members of the Professional Standards Committee or Board of Directors has been mailed to the party.

A Professional Standards Hearing Panel may have a non-voting chair with three (3) or five (5) Panel Members, unless modified by unanimous agreement of all parties to the hearing. Additional Panel Members in excess of the non-voting chair and the three (3) or five (5) Panel Members shall serve as alternates. They shall attend the hearing but not ask questions of the parties and/or the witnesses; and while they can participate in the discussion during the Executive Session, they may not vote. The alternates would only participate in the hearing and vote at the Executive Session if one or more of the other Panel Members cannot complete their charge.

Hearing panel packages to include the ethics complaint or arbitration request, and responses, if any, will be provided to Hearing Panel Members prior to a hearing. Such time period will be seven (7) days.

The postponement of hearings will be ruled on by the Hearing Panel Chairperson or the Professional Standards Chairperson in the Hearing Panel Chairperson's absence.

The Association shall provide, at its own expense, either a court reporter or an audio recorder at hearings. Parties to an ethics or arbitration proceedings may not record the hearing. Copies of transcripts or other recordings will be used only for the purpose of appeals, rehearings, and procedural reviews, and can be requested only through the Association. Transcripts or other recordings are strictly confidential documents, and they may not be introduced into evidence at any subsequent proceeding other than an appeal, rehearing or procedural review. While court reporters or audio recorders will not typically be used at appeal hearings or procedural reviews, the determination on their use at such proceedings will be made by the Professional Standards Administrator (or Hearing Panel Chair) and Board Counsel.

Admission of a witness's audio or video-taped testimony in lieu of attendance at a Professional Standards hearing may be admitted at the discretion of the Hearing Panel Chair upon (a) a showing of the unavailability of the witness; (b) presentation of evidence that such taped testimony was taken under oath; and (c) submission of the original taped testimony and certification by a disinterested third-party as to the identity of the witness and the date, time and location of the recording.

Matters in front of a Hearing Panel could be continued at any time if the Hearing Panel feels they should have Board Counsel present.

All hearing panel decisions in ethics and arbitration matters will be reviewed by Board Counsel prior to becoming final and being distributed to the Complainant(s) and Respondent(s).

## Section 13.7: Ethics Complaints

The Greater Albuquerque Association of REALTORS® adopts the expedited ethics administration procedures [Part Four, Section 20 (f)-(q)].

In ethics hearings, either party may be represented by legal or REALTOR® counsel, and each party is to provide written notice to the Association, not less than fifteen (15) days prior to the hearing, of an intention to have legal or REALTOR® counsel present, including counsel's name, address, and phone number. Each party is to provide the Association, not less than fifteen (15) days prior to the hearing, with a list of the names of the witnesses he/she intends to call at the hearing.

All appeals of Hearing Panel's decisions in ethics matters must be in writing; must be accompanied by a deposit with the Association in the sum of \$250; and must be filed with the Association within twenty (20) days after the Hearing Panel's Decision has been served on the parties [considered served on parties three (3) days after mailing Decision from the Association].

Each party is to provide written notice to the Association, not less than five (5) days prior to an appeal hearing, of an intention to have legal counsel present, including counsel's name, address, and phone number.

Copies of the ethics Hearing Panel's decision, as presented to a Panel of the Board of Directors for ratification or appeal, will include the names of the parties.

An administrative processing fee will be imposed against respondents found in violation of the Code of Ethics or other Membership duties in the following manner: \$500 administrative processing fee. This fee is in addition to any disciplinary sanction imposed. Payment of the administrative processing fee will be made in accordance with the Bylaws of the Greater Albuquerque Association of REALTORS® related to Financial Obligations.

The Greater Albuquerque Association of REALTORS® adopts Part Four, Section 23 (n), and will publish the names of Code of Ethics violators after a second violation occurs within a three (3) year period. In such a publication, GAAR will not publish the firm with whom the Respondent is affiliated nor the firm's address.

The Professional Standards Administrator and the Hearing Panel Chairperson may consider and collectively approve changes to course assignments in instances where courses are no longer available or offered within the specified disciplinary period.

Failure to comply with imposed discipline by the end of the specified six-month disciplinary period by a Respondent found in violation of the *Code of Ethics* will automatically invoke a \$200 penalty, and will constitute the basis for consideration by the Board of Directors with regard to any additional action(s) required to ensure compliance with the original discipline imposed. The party failing to comply with the originally imposed discipline will have the opportunity to appear before the Board of Directors to explain the failure to comply. Absent an explanation acceptable to the Directors, additional discipline, including possible suspension or expulsion from

membership, may be imposed in a manner consistent with the procedures established in the *Code of Ethics and Arbitration Manual*.

## **Section 13.8: Arbitration**

The Greater Albuquerque Association of REALTORS® requires REALTORS® (principals) and their firms to mediate otherwise arbitral disputes and be bound by any resulting agreement.

A request for arbitration must be accompanied by a required deposit of \$250 made payable to the Greater Albuquerque Association of REALTORS®.

The request for arbitration shall promptly be referred to the Chairperson of the Grievance Committee for determination by the Committee within forty (40) days as to whether the matter is subject to arbitration.

Submission of a dispute to arbitration by the Association shall consist of signing and delivering to the Association either a request or response form provided by the Association (Form #A-1 or #A-2, Request and Agreement to Arbitrate, or Form #A-4, Response and Agreement to Arbitrate) or any other similar writing permitted by law and making the appropriate deposit of \$250.

Arbitration shall not proceed unless the signed Response and Agreement Form (Form #A-4) and deposit amount, if required, have been received from the respondent and the respondent appears and takes part in the hearing, or the respondent has been ordered by a court to appear and arbitrate and such court order includes language allowing the arbitration to proceed in the absence of the respondent.

In arbitration hearings, either party may be represented by legal counsel, and each party is to provide written notice to the Association, not less than fifteen (15) days prior to the hearing, of an intention to have legal counsel present, including counsel's name, address, and phone number. Each party is to provide the Association, not less than fifteen (15) days prior to the hearing, with a list of the names of the witnesses he/she intends to call at the hearing.

The Association will not hear arbitration matters for disputed amounts less than the sum of the combined arbitration filing fees.

The Greater Albuquerque Association of REALTORS® will provide hearing services for voluntary arbitration matters.

The disposition of the arbitration filing fees is at the discretion of the arbitration Hearing Panel.

If an arbitration matter is resolved through informal dispute resolution processes (e.g., mediation, ombuds services, informal negotiations, etc.), the Association will refund the arbitration filing fees to the parties.

The Greater Albuquerque Association of REALTORS® adopts Part Ten, Section 53 (c)-(f) pertaining to servicing of awards.

A written request for procedural review of the arbitration hearing procedures must be filed with the Association within twenty (20) days after the award has been served on the parties [considered served on parties three (3) days after mailing award from the Association] and must be accompanied by a deposit in the sum of \$250.

Each party is to provide written notice to the Association, not less than five (5) days prior to an a procedural review, of an intention to have legal counsel present, including counsel's name, address, and phone number.

### **Section 13.9: Mediation**

Mediation is offered by the Greater Albuquerque Association of REALTORS® to Association members and members of the public as a timely and low-cost means of facilitating communications between conflicting parties to promote reconciliation, settlement, and/or agreement. It is a confidential, voluntary process with neutral and impartial third-party mediators who facilitate and assist with the negotiations.

All parties participate in the mediation conference in the same room, exploring and refining workable solutions to identified issues and interests.

Mediation is not an evidentiary or fact-finding process; lawyers and witnesses may attend but are not typically needed because of the non-adversary nature of mediation.

Mediators do not render decisions; instead, they assist the parties in coming together to reach their own agreements by clarifying issues and encouraging open discussion of the matter.

Mediation is available to resolve disputes between parties in an arbitration matter. Prior to holding an arbitration hearing, parties will be advised of the option of mediation.

The Greater Albuquerque Association of REALTORS® has also adopted the National Association of REALTORS'® procedures, as amended below, to mediate potentially unethical conduct. In addition to arbitration matters, issues that may be mediated include potentially unprofessional or unethical conduct concerns; earnest money disagreements; communication conflicts; and other disputes related to real estate transactions or interactions with a REALTOR® member.

Mediation services can be initiated at any time by buyers, sellers, brokers and other parties to a real estate transaction by completing a Request for Mediation and an Agreement to Mediate. This can be done in conjunction with filing an Arbitration Request or an Ethics Complaint. If the matter is not resolved in mediation, it can move forward through the Grievance Committee process, and if referred by Grievance Committee, to a Professional Standards hearing.

If the Association's alternative dispute resolution processes (such as mediation or ombuds services) are invoked by a Complainant (or potential Complainant) with respect to an ethics

complaint or an arbitration request, the one hundred and eighty (180) day filing deadline shall be suspended beginning with the date of the Complainant's request for alternative dispute resolution service or assistance and shall resume when the alternative dispute resolution procedures are concluded or terminated.

In mediation, the parties have latitude in fashioning a mutually acceptable resolution. Resolutions can include, but will not be limited to, payment of disputed funds; repairs or restoration of property; written or oral apology; acknowledgement of a violation of the Code of Ethics; or imposition of appropriate discipline. Any discipline imposed must be agreed to by all of the parties to the dispute.

If the matter for mediation indicates that a potential violation of the public trust may have occurred, the mediation process shall not begin or shall be immediately terminated; and the parties shall be advised of their right to pursue a formal ethics complaint; to pursue a complaint with any appropriate governmental or regulatory body; to pursue litigation; or to pursue any other available remedy. The National Association of REALTORS® defines public trust as "Demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm."

Mediations between REALTOR® Members will be offered at no cost to the members.

Mediations between members of the public or between member(s) of the public and a REALTOR® Member(s) will be offered at a cost of \$150 per party.

The Mediator(s) will receive a total of \$200 in compensation (divided in two for co-mediators) from the combined filing fees. The Association will retain any balance to cover administrative costs. Parties will not be entitled to any refund of fees unless the dispute is resolved prior to the mediation session.

## **Section 13.10: Financial Obligations**

Any member who fails to pay administrative processing or filing fees, fines, or arbitration awards within the defined time periods are subject to the Association's Bylaws related to nonpayment of dues, fees, fines, assessments, and other financial obligations. Members will be subject to a late fee of \$25 or five (5) percent of the monies due (whichever is greater) ten (10) days after the due date of such fees, fines, or awards, and will be notified of the delinquency. Failure to pay within ten (10) days immediately following such notice shall subject the Member to suspension at the discretion of the Board of Directors. All Association services to a suspended Member, including MLS service and the lockbox program, shall cease during the time of such suspension.

## **Section 13.11: Professional Standards Records**

In ethics cases, the Association will retain records for one year after completion of any disciplinary action, absent a threat of litigation. In arbitration matters, the Association will retain records for one year after the award has been paid absent a threat of litigation. The Professional

Standards Administrator will request the destruction of court reporters' electronic records and/or transcripts at the time the case records are being destroyed.

The Association will retain final decisions of arbitration Hearing Panels in the non-prevailing parties' Membership files, and final decisions of the Board of Directors relative to ethics proceedings in the respondent's Membership file if a violation has been found.

In mediation matters, the Association will retain for one year copies of the Agreement to Mediate and the Confidentiality Statement as signed by all the parties. All other records pertaining to the mediation and any resulting settlement agreement will be destroyed immediately following the mediation conference.

## **Section 13.12: Trademark Enforcement**

The terms REALTOR®, REALTORS® or REALTOR-ASSOCIATE® are licensed trademarks. The license for the Greater Albuquerque Association of REALTORS® to use the term REALTOR® or REALTORS® is granted by the National Association of REALTORS®. REALTOR® members are licensed to use the term REALTOR®, REALTORS® or REALTOR-ASSOCIATE® in connection with their business, subject to the right of the Greater Albuquerque Association of REALTORS® to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS® such use within its territory.

The National Association of REALTORS® has developed guidelines on the proper use of the REALTOR® marks and logo. Information on use of the marks may be found at [www.REALTOR.org](http://www.REALTOR.org) on the "Law and Policy" page under REALTOR® Trademark/Logo Rules.

The rules for proper use of the REALTOR® marks and logo apply to any and all advertising media. Additionally, the same rules apply to use of the marks in all forms of electronic advertising, communication and social media, including the use of the REALTOR® marks in usernames and URL's as a part of the domain name for real estate businesses.

Upon the knowledge of the Greater Albuquerque Association of REALTORS® of a misuse of the REALTOR® marks, the Association will notify the Association Member and their Qualifying Broker (where applicable) will be notified of the misuse. The Notice of Violation will be accompanied by a sample of the misuse. Members will be given 30 days to correct a first offense without incurring any sanctions.

If the Member wishes to request a hearing, the Request for Hearing must be received within 10 days of date of Notice of Violation. Failure to provide notice of a request for a hearing in such timeframe waive the right to a hearing. If the Member requests a hearing, all timelines will be suspended until the issue has been heard. Hearings shall be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®.

**Trademark Violation Sanctions:** Members have 30 days from being notified to correct the Trademark misuse without any sanctions being imposed. If the violation remains uncorrected after 30 days, the Member will be assessed a \*fine of \$500, payable within 30 days from



notification. Additionally, the Association may file a complaint against the Member for violation of a membership duty. Noncompliance with membership duties will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®.

Repeated misuse of the REALTOR® marks may be treated as a violation of a membership duty. Noncompliance with membership duties will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®.

If the Member pays the fine and continues to misuse the REALTOR® marks, the Association will file a complaint against the Member and their Qualifying Broker (where applicable) for violation of a member duty. Noncompliance with membership duties will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS® and could result in a \*fine up to \$1000, suspension or termination.

\*Failure to pay assessed fines will subject the Member to the Associations policy for *Financial Obligation in Section 13.10*. Failure to pay can result in suspension and termination.

Additionally, the Association may file a complaint against the Member for violation of a membership duty. Noncompliance with membership duties will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®.

# Chapter 14: Association Staff

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## **Section 14.1: Staff Time**

**Date of Adoption/Modification/Readoption: June 2009**

Any requests by committees/members for staff time other than normal liaison functions shall be coordinated through the CEO.

## **Section 14.2: Employee Policy Manual**

**Date of Adoption/Modification/Readoption: June 2009**

The Employee Policy Manual shall be reviewed annually, and changes will be approved by counsel, CEO and Directors as needed.

## **Section 14.3: Trustee of Employee 401K Plan**

**Date of Adoption/Modification/Readoption: June 2009**

The CEO shall be designated as trustee of the employee 401K Plan and is empowered to carry out the duties of trustee as required by the plan administrator and/or law.

# Chapter 15: Elections

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## **Section 15.1: Nominations**

**Date of Adoption/Modification/Readoption: June 2009**

If a candidate for GAAR Director withdraws their name from consideration after the nominees have been noticed to the members, the position will not be filled and Director vacancies will be filled from the remaining candidates. If nominee list should become less than number of vacancies the Board of Directors will fill vacant terms as prescribed in Bylaws.

# Chapter 16: Affiliate Membership

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**Date of Modification: June 15, 2011**

## **Section 16.1: Affiliate Members**

Affiliate Members shall be individuals or firms who, while not engaged in the real estate business as defined in the Bylaws of the Greater Albuquerque Association of REALTORS® [Article IV – Membership, Section 1(a)(1)-(2)], have interests that require information concerning real estate; offer services directly to real estate companies; and/or facilitate REALTORS'® abilities to provide services to their client.

Affiliate Members shall be in conformity with the objectives of the Association and shall not be in competition with the Association for services provided or offered by the Association for its members.

Affiliate Members agree that, as Members of the Association, they will abide by the Bylaws, Policy Statements, and Rules and Regulations of the Association, and shall pay all fees and dues as from time-to-time established. Affiliate Members also agree to adhere to all lockbox rules and requirements, as outlined in the Greater Albuquerque Association of REALTORS® Policy Statements [Section X, Lockboxes (KeyBoxes)].

Affiliate Members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and to conduct their business and professional practices accordingly. Examples of ethical conduct may include but not be limited to: (a) Promoting and protecting the client's best interests; (b) Being honest with all parties; (c) Avoiding misrepresentation or concealment of pertinent facts; (d) Cooperating with REALTORS® and other Affiliate Members to advance the client's best interests; (e) Providing equal service to all clients and customers; (f) Being knowledgeable and competent in the field(s) of practice in which they ordinarily engage; and (g) Communicating honestly and presenting a true picture in their advertising, marketing, and other public representations.

Through the Association's Board of Directors or otherwise, the Association may invite and receive information and comment about Affiliate Members from any Association member or other person. Any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action by an Affiliate Member against any person or the Association for slander, libel, defamation of character, or damages.

## **Section 16.2: Reports of Misconduct**

Reports of misconduct by an Affiliate Member will be reported to the Professional Standards Office and will be processed according to the procedures set forth by the Greater Albuquerque Association of REALTORS®.

Affiliate Members may be subject to discipline for any conduct that in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the National Association of REALTORS®. A Professional Standards hearing panel will make a determination on whether there has been a violation and make a recommendation to the Board of Directors on discipline, if any.

Any Affiliate Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors if found in violation of the Constitution, Bylaws, Policy Statements, and Rules and Regulations of the Association or any other membership duty.

## **Section 16.3: Financial Obligations**

Any Affiliate Member who fails to pay fees or fines within the defined time periods are subject to the Association's Bylaws related to nonpayment of dues, fees, fines, assessments, and other financial obligations. Affiliate Members will be subject to a late fee of \$25 or five (5) percent of the fees or fines due (whichever is greater) ten (10) days after the due date of such fees or fines, and will be notified of the delinquency. Failure to pay the fees or fines and any late fees within ten (10) days immediately following such notice shall subject the Affiliate Member to suspension at the discretion of the Board of Directors. All Association services to a suspended Affiliate Member, including MLS service and the lockbox program, shall cease during the time of such suspension.

## **Section 16.4: Record Retention on Professional Standards Decisions**

If a violation of a membership duty has been found as a result of a Professional Standards hearing process, the decision and a letter of warning or reprimand, if any, will be retained by the Association in the Affiliate's Membership file.

# Chapter 17: Ombudsman Program

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**Date of Adoption: June 15, 2011**

## **Section 17.1: Ombudsman Services**

The Ombudsman Program for the Greater Albuquerque Association of REALTORS® provides an informal, neutral, independent, and confidential way for REALTOR® members; and clients and customers of REALTOR® members to express concerns and explore options and alternatives to resolve these concerns. The Ombudsman Program does not replace other formal mechanisms for raising and resolving concerns, but it supplements these alternatives and will often suggest referrals to other available services as an option for the person seeking assistance.

The Ombudsman Program will be offered as a voluntary benefit to its users.

The Ombudsman Program will comply as completely as possible with the Code of Ethics and Standards of Practice for organizational Ombudsman Programs developed by the International Ombudsman Association.

## **Section 17.2: Ombudsman Requirements**

The ombudsmen will report directly to the Board of Directors through its designated contact.

While participating in the Ombudsman Program, the ombudsman may not serve on the Grievance or Professional Standards Committees.

The ombudsman shall excuse themselves from any action involving the real estate firm with which they are affiliated. They must excuse themselves from any action in which they have a real or perceived conflict of interest, or in cases where they cannot be impartial and unbiased.

The ombudsman should be thoroughly familiar with the National Association of REALTORS® Code of Ethics, New Mexico state real estate rules and regulations, and current real estate practices.

Ombudsmen may be REALTORS®, staff members, or others acting in that capacity. Ombudsmen must be approved by the Board of Directors to fulfill the responsibilities of the ombudsman position for the Association.

The ombudsman will maintain strict neutrality and will not formally investigate complaints, draw conclusions about the merits of a concern, give advice (beyond advice about options, resources and approaches), make recommendations, take sides, determine outcomes, render opinions on the merits of ethics or arbitration claims, arbitrate or in any way adjudicate differences of opinion, or negotiate contracts.

### **Section 17.3: Confidentiality**

To the extent permissible by law, the Ombudsman Program holds communication with its visitors as confidential. While the program user is free to share their own information, they must clearly understand and accept that by using the benefits of the Ombudsman Program, they are now absolutely bound by a promise (in fact, a contract) not to seek disclosure of any information from the ombudsman or the Ombudsman Program.

With the exception of short-term working notes, which may be necessary to help the ombudsman take follow-up actions, the Ombudsman Program will not retain any written records.

Unless an exception exists, the ombudsman will not release information without the visitor's permission.

An important exception to confidentiality exists where failing to disclose information would result in imminent risk of serious harm to individual or someone else; where there is an allegation that the public trust has been violated; or where there is a duty to disclose imposed by law.

### **Section 17.4: Reporting of Trends and Recurrent Issues**

The ombudsman will report trends, patterns, and recurrent issues or problems to the Board of Directors. It is expected the Ombudsman Program will identify opportunities for organizational improvements and to suggest options and approaches to address trends and recurrent issues.